

FINANCE COMMITTEE MINUTES

Approved 1/24/08

Meeting Date: 6 December, 2007

CALL TO ORDER

The Meeting was called to order at 7:03 P.M. in the First Floor Meeting Room, Town Hall

COMMITTEE MEMBERS IN ATTENDANCE

Brian Morton (chair), Marilyn Blaustein, Paul Bobrowski, Alice Carlozzi, Kay Moran, Douglas Slaughter, Andrew Steinberg

OTHERS PRESENT

John Musante (Finance Director/Treasurer), Walter Wolnik, Hwei-Ling Greeney

COMMITTEE AGENDA

1. BCG Request for board and committee opinions on:
 - a. Override for FY 09
 - b. Public engagement and survey process for long term financial planning
2. Review final draft of Financial Policies document
3. Member Reports
4. Minutes
5. Next Meeting and Agenda
6. Miscellaneous

COMMITTEE ACTION

Bobrowski MOVED to take no position, at this point, on an Override for FY2009; passed 7-0.

Carlozzi MOVED to accept minutes of 11/13/2007 as amended; passed 7-0.

Moran MOVED to accept minutes of 11/15/2007 as amended; passed 7-0.

Moran MOVED to accept minutes of 11/19/2007 as amended; passed 5-0-2 abstentions.

DISCUSSION

BCG request for opinion on an override for FY09:

Steinberg and Morton both stated that since the Finance Committee is an appointed board it would be best if we took no position on an override. Bobrowski mentioned that the Finance Committee had developed a 3 year financial plan last year that included an override as a component in the plan. Also, he stated that he would not want to discuss an override without an overall financial plan. Carlozzi stated that the Finance Committee's opinion on not using reserves should be reiterated to the BCG. Steinberg also mentioned the Finance Committee's opinion on the Capital Plan should be re-conveyed to the BCG as well as our need to see how the budgets are shaped

before looking at an override. Moran expressed that we should be very clear that the Finance Committee's position on the Capital Plan is regardless of whether there is an override or not.

BCG request for opinion on public engagement and survey process for long term financial planning:

The committee discussed the various ideas of how to survey the public for long term financial planning (in person meetings-like the Master Plan process, mailed surveys, or phone surveys), the costs associated with them (~\$20,000 or more depending on methods and extent of survey), and the possible methods of paying for the process. Carlozzi stated that a focused approach was necessary to get useful information in a public meeting format. Blaustein was concerned about the ability to reach a community-wide consensus at public meetings, since the attendees at these meetings are often the same citizens. Moran stated that hard choices about public finance are political decisions to be made by elected officials. She also added that a survey is a snapshot in time which is a weakness as the financial landscape is ever changing. Steinberg stated that the BCG is interested in a longer range process since surveying is hard to do with year to year budgets. Bobrowski suggested an engagement process, similar to the current Warrant Review, for Town Meeting since Town Meeting is who actually makes the decisions about the budget. Concern was raised about a lack of attendance at such a review session. Carlozzi suggested a Special Town Meeting to hear budget reports and take action on a financial plan. Morton stated that he would seek the opinion of the Moderator on the idea. Musante expressed the need for a specific and focused approach to the Special Town Meeting in order to keep the discussion on the direction, priorities, and goals of the Town's financial plan and not the specifics of this year's budget.

Review final draft of Financial Policies document:

Morton requested that the components of the document that are compulsory be specifically identified. Steinberg asked about a section on Revolving Funds. Musante stated that it would be in the next draft. Carlozzi suggested that an explanation of the justifications for a revolving fund be explained in the document.

Member Reports:

BCG: Steinberg reported on the BCG's desire to wait until more concrete budget information was available on both the state and local level before taking specific positions. He also listed the 4 points to consider that the Superintendent suggested. Namely,

- 1 year override
- 3 year override
- no Spring override but a Fall override (November election)
- no override for FY09 at all

Miscellaneous:

Moran asked whether the subprime mortgage crisis would be affecting municipalities' investments. Musante reported that he would be looking at that but the Massachusetts Municipal Deposit Trust is generally conservative in its investments and therefore not likely to be significantly affected by the subprime mortgage issue.

Bobrowski congratulated Musante on his promotion to Assistant Town Manager/Finance Director. The rest of the committee heartily concurred.

Next Meeting: Thursday, January 10.

ADJOURNMENT

9:50 P.M.

Submitted by Doug Slaughter, Acting Clerk