

**Call to Order**

The meeting was called to order at 7:00 p.m. in the 3<sup>rd</sup> floor Conference Room at the Town Offices.

**Remote Participation Requirements and Procedures**

Per 940 CMR 29.10(7) (see attachments), Linn Anderson contacted Chairman S. Jon Stumpf in sufficient time prior to the meeting with the request to participate in the meeting remotely due to personal illness. Pursuant to 940 CMR 29.10(5), Chairman Stumpf so notified the members of Ms. Anderson's request, gained their approval, and initiated roll call. Present were: Chairman S. Jon Stumpf, Vice Chair Mary O'Donoghue, Linn Anderson (remotely), John Barry, Jr., Margaret (Peggy) Kruse, Joanne Marden, Eugenie (Janie) Moffitt and Greg Serrao. Also present was Finance Director, Donna Walsh. Absent was Paul Fortier. The meeting was cablecast live.

**Finance Committee Minutes**

Upon motion duly made by Ms. Marden and seconded by Ms. Kruse, the Committee voted to approve the November 13th minutes with the following changes.

*School Updates*

b) First Quarter Full-Time Equivalent (FTEs) – strike the words “because of an increase in elementary grade level enrollment,”

*Charter School*

After the words “after November 21<sup>st</sup> but” strike the word “would” and replace with “could.”

Chairman Stumpf initiated roll call: Chairman S. Jon Stumpf-Y, Vice Chair Mary O'Donoghue-Y, Linn Anderson (remotely-Y), John Barry, Jr.-Y, Margaret (Peggy) Kruse-Y, Joanne Marden-Y, Eugenie (Janie) Moffitt-Y and Greg Serrao-Y. The motion passed 8-0.

**Triboard Meeting Minutes**

Upon motion duly made by Mr. Barry and seconded by Ms. Kruse, the Committee voted to approve the October 21<sup>st</sup> Triboard minutes with the following changes.

1. Call to Order/Roll Call

Present from the Finance Committee: Chairman S. Jon Stumpf-Y, and Members Joanne Marden-Y, Eugenie (Janie) Moffitt-Y, Greg Serrao-Y, Jon Barry-Y, Margaret (Peggy) Kruse-Y, Paul Fortier-Y, Linn Anderson-Y.

VII. Adjournment

“On a motion by Greg Serrao (correct the last name) and seconded by Janie Moffitt,”

Chairman Stumpf initiated roll call: Chairman S. Jon Stumpf-Y, Vice Chair Mary O'Donoghue-A, Linn Anderson (remotely-Y), John Barry, Jr.-Y, Margaret (Peggy) Kruse-Y, Joanne Marden-Y, Eugenie (Janie) Moffitt-Y and Greg Serrao-Y. The motion passed 7-0.

**FY15 Operating Budget Model**

Mr. Stumpf reviewed the updated Budget Model spreadsheet of projected costs through FY2018 (see attachment.) It was agreed this model was useful as a simple “tool” to test different scenarios and assumptions in terms of what we can afford. As a result, it enabled the Committee to have a better understanding of, and assessment of, the financial picture moving forward and therefore foster better dialogue. It was agreed this tool would be used at the next Triboard meeting to further enable greater transparency, improve informed dialogue and provide the ability to look at the financial picture beyond just the next fiscal year. It was suggested that subsequent budget model updates contain a date of latest version in the footer section.

**FY15 Operating Budget**

In accordance with Mr. Stapczynski’s suggestion that a schedule of Saturday meetings be considered for budget reviews, Mr. Stumpf took a poll of those in favor of such a schedule. While three were not in favor of Saturday meetings, they allowed that if the rest of the Committee was in favor, they would make every attempt to participate. It was consensus of the Committee that in the interests of time efficiency and a more informative product for the community, a) budgets be submitted electronically before scheduled meetings, b) presentations be limited to thirty minutes (or less for smaller departments,) and that c) the content and format of presentations not be simply a review of budget numbers, but be based on a narrative response to questions posed by the Finance Committee.

**Charter School**

Mr. Stumpf opened the discussion of the charter school’s impact on the budget and what the position of the Finance Committee should be in addressing these issues. The formula used by DESE in assessment of tuition and reimbursement of towns is so complicated that transparency of how the Chapter 70 system works is very difficult as well as inequitable. Discussion ensued as to the impact on the budget and the appropriateness of the Finance Committee to take a position. In an attempt to clarify this issue, Mr. Stumpf wrote to Mr. Wulfson of DESE and read his email and his own reply to the Committee (see attachments.) In essence, while public comments are welcome, they are not expected or required by any municipal board or committee.

Consequently discussion ensued as to the appropriateness of the Finance Committee taking a position by submission of a letter to DESE by January 3<sup>rd</sup>, or a letter to elected officials with recommendation for change in legislation. It was consensus of Committee not to send any letter at this time and to wait for official vote on February 24<sup>th</sup> as to whether or not a charter school will come to Andover.

**Cable Account Funding Analysis**

Mr. Stumpf reviewed the matter of the FY13 school department surplus funds that were used to purchase a one-year computer lease of 160 computers. While surplus funds could be used for purchases, leasing these computers follows with an obligation for three additional years of leases of \$90K in non-appropriated funds. Discussion ensued with regard to using funds that were not appropriated, funding of the additional monies owed, and establishing internal controls and a policy on a clearly-defined procurement process that would prevent this oversight from happening in the future.

**School Updates**

No further updates.

**Liaison Updates**

*Library* – no further updates.

*Tax Increase:* Ms. Marden commented that the tax rate increase of 4.7% in residential property tax set by the selectmen was on target with her projections. She further explained that the formula she used for the tax rate increase resulted from what we spent, debt exclusion, shift in tax classification and change in excess levy capacity.

*CD&P:* Ms. Kruse reported that Reichold property was sold to a private buyer.

*Financial Audit:* Ms Moffitt reported that she had attended an Audit committee meeting conducted by Powers and Sullivan with a report in praise of town management. The audit firm further allowed that there would be more emphasis on unfunded liabilities such as OPEB and would be counted as a funded liability with year-end review. Ms. Walsh confirmed that all municipalities were subject to the same directive. The firm also noted that Mark Merritt had been working on a one-page report on risk analysis called Citizen Centric. The Committee allowed this would be a helpful tool to recreate.

*Elder Services:* Ms. Anderson submitted update via attached report.

*IT:* Ms. Anderson submitted update via attached report.

**Future Meetings**

Finance Committee: January 22, 2014

**Adjournment**

Upon motion duly made by Ms. O'Donoghue and seconded by Mr. Barry, the meeting was adjourned at 8:50 p.m.

Chairman Stumpf initiated roll call: Chairman S. Jon Stumpf-Y, Vice Chair Mary O'Donoghue-Y, Linn Anderson (remotely-Y), John Barry, Jr.-Y, Margaret (Peggy) Kruse-Y, Joanne Marden-Y, Eugenie (Janie) Moffitt-Y and Greg Serrao-Y. The motion passed 8-0.

Respectfully submitted,

Christine Martin Barraford  
Recording Secretary

*Attachments:*

*Finance Committee Minutes December 18, 2013*

*Triboard Minutes*

*Email Request for Remote Participation*

*Remote Participation Requirements Per 940 CMR 29*

*FY15 Operating Budget Model*

*Emails re Charter School*

*IT Liaison Report*

*Elder Services Liaison Report*