

FINANCE COMMITTEE

Membership and officers

The Finance Committee shall have fifteen members appointed by the Moderator. Terms of appointment shall be for three years, with five terms expiring each year at the close of the Annual Town Meeting. Vacancies occurring otherwise than by expiration of term shall be filled by majority vote of the remaining members of the Committee. No member shall be an officer of the Town or a member of any other board of the Town.

Members of the Committee shall elect a chairman, ^{AND A CLERK, AND MAY ELECT} vice-chairman, secretary, ^{and} treasurer, and ~~clerk from among their own number.~~

Powers and duties

The Finance Committee shall have the following powers, duties, and responsibilities:

A. General

- (1) Consider any or all municipal questions for the purpose of making reports or recommendations to the Town, including special studies of town services, programs, and facilities.
- (2) Approve or disapprove transfers of money from the Reserve Fund.
- (3) Make recommendations to the Town regarding the transfer of any amount of public money previously appropriated to any other use authorized by law.

(4) Give approval or disapproval to the Selectmen for the exemption of certain purchases or contracts from the competitive bidding requirements of ~~Articles~~ the town in appropriate emergency circumstances.

(5) Cooperate with the Selectmen to authorize the incurring of liability in excess of sums previously authorized for snow and ice removal, for expenditure during the interim period from January 1st to the time of making the next annual appropriations.

(6) Cooperate with other interested agencies and officers of the Town in preparing and periodically updating and extending a comprehensive development plan for the town, particularly in regard to the capital outlay and taxation aspects of such a plan.

(7) Represent the Town as a member of the Association of Town Finance Committees, and serve as the Town's liaison with other governmental units and private bodies in matters relating to the responsibilities *of the Committees.*

B. Town budget and finances

(1) Receive from the Selectmen the budgets of the various Town departments, boards, and committees as submitted to the Selectmen by the Town Manager and by the Concord Public School Committee; analyze the budgets and all recommendations thereon of ~~by~~ the Selectmen, ^{and} the Town Manager and confer with the Town Manager and the heads of the respective departments, boards, and committees as necessary; and submit the budgets with its recommendations to the Town ~~Meeting~~ as part of its annual report to the Town Meeting.

(2) Receive the proposed budget of the Concord-Carlisle Regional School Committee; analyze the budget ~~and all recommendations of the Selectmen~~ and conduct a public hearing thereon; and submit the finalized budget with its recommendations to the Town as part of its annual report to the Town Meeting.

(3) Consider all articles of the Town Meeting Warrant under which an appropriation or expenditure of money or a disposition of any Town property may be made, conduct public hearings thereon, and report and distribute its recommendations to the voters of the Town as part of its annual report, at least seven (7) days before the Annual Town Meeting.

(4) Consider and report on any other article of the Town Meeting Warrant whenever in the opinion of a majority of the Committee such consideration and report seem advisable for the best interests of the Town.

(5) Prepare and include as additional parts of its annual ~~budget~~ report to the Town Meeting the following items:

a. A schedule of charges to the Town for State and County services and controls;

b. A schedule of estimated Town receipts for the ensuing year, prepared after consultation with the Selectmen, the Town Manager, and the Town Accountant, ~~and including when possible the allocation to the Town from the Local Aid Fund;~~

c. The estimated total to be raised by taxation;

- d. The assessed valuation and the estimated tax rate for the ensuing year, prepared after consultation with the Town Manager and the Board of Assessors;
- e. A table of Town debt;
- f. A table of tax rate ~~x~~ comparisons;
- g. A table of transfers from the Reserve Fund;
- h. A report on the status of the ^{Surplus Account} ~~Excess and Deficiency~~ Account;
- i. A narrative report on items of special importance to the voters of the Town.

Approved:
Board of Selectmen
May 11, 1970.

References for Finance Committee code

Membership and officers

1. Article 8, secs. 1 and 2, Town Meeting Mar. 7, 1921 - found in Concord Town Charter and Bylaws, pp. 32-33.

Note: Article 8 provides only for election of a chairman and clerk for the Committee; the offices of vice-chairman and treasurer were added later, apparently without any specific statutory or bylaw authority.

Powers and duties

A. General

1. MGLA c. 39, sec. 16.
2. MGLA c. 40, sec. 6.
3. Acts 1951, c. 798, sec. 6.
4. Articles 21 and 22, Town Meeting Mar. 7 and 14, 1960 - found in Concord Town Charter and Bylaws, p. 29.
5. Acts 1948, c. 5, amending MGLA c. 44, sec. 13.

Note: this function will probably lose significance as soon as the new July to June fiscal year is in effect for the towns, as enacted in this session of the Mass. General Court.

B. Town budget and finances

1. Finance Committee Outline 1959, p.3; MGLA c. 41, sec. 60.
2. Finance Committee Outline, pp. 3 and 4.
3. Article 8, sec. 3, Town Meeting Mar. 7, 1921 - found in Concord Town Charter and Bylaws, p. 33.
4. *ibid.*
5. Finance Committee Outline, p. 5.

Note: MGLA c. 41, secs. 59-61 give to the Town Accountant the duties listed under ~~B 5~~ B 5(b) and (e). I have found no explanation as to why the Finance Committee is now performing them.

RECEIVED

JUN 9 - 1959

June 8, 1959

To: Town Manager
From: The Concord Finance Committee
Subject: Organization, Functions, Duties and Responsibilities of the Finance Committee

Following is the information requested by your memorandum of May 20, 1959:

I. Legal Existence and Status

General Laws, Chapter 39, Section 16 provides as follows:

"Every Town, whose valuation for the purpose of apportioning the state tax exceeds one million dollars shall, and any other Town may, by by-law, provide for the election or the appointment and duties of Appropriation, Advisory or Finance Committees, who shall consider any or all municipal questions for the purpose of making reports or recommendations to the Town; and such by-laws may provide that Committees so appointed or elected may continue in office for terms not exceeding three years from the date of appointment or election.

In every Town having a Committee appointed under authority of this section, such Committee, or the Selectmen if authorized by a by-law of the Town, and, in any town not having such a committee, the Selectmen, shall submit a budget at the Annual Town Meeting."

II. Statutory Powers

1. Exclusive control as to transfers from the Reserve Fund, as provided for in Chapter 40, Section 6 reading as follows:

"To provide for extraordinary or unforeseen expenditures, a Town may at an Annual Town Meeting appropriate a sum not exceeding five percent of the tax levy of the preceding year, to be known as the Reserve Fund. No direct drafts against this fund shall be made but transfers from the fund may from time to time be voted by the Finance or Appropriation Committee of the Town, in Towns having such a Committee, and in other Towns by the Selectmen; and the Town Accountant in Towns having such an official, and in other Towns the Auditor or Board of Auditors, shall make such transfers accordingly."

2. Concurrently with the Selectmen, pursuant to the provisions of the Acts of 1948, Chapter 5, amending Chapter 44, Section 13, to authorize the incurring of liability for snow and ice removal during the interim period from January 1st to the time of making the next annual appropriations in excess of the sum otherwise authorized.
3. Under the provisions of Chapter 798, Section 6 of the Acts of 1951 (commonly referred to as the Home Rule Act) whereby the Town (voters) by majority vote may transfer any amount previously appropriated to any other use authorized by law, provided the Finance Committee shall so recommend.

Organization Under Town By-Law (Article 8, Town Meeting, March 7, 1921)

1. At each Annual Town Meeting the Moderator shall appoint five members to serve for a term of one year.
2. Except in case of death, resignation or removal from office, each member of the Committee shall hold office until the final adjournment of the Annual Town Meeting of the year in which his term of office expires.
3. The Committee shall at all times consist of fifteen members, and vacancies occurring therein, otherwise than by the expiration of the term of office, shall be filled by the majority vote of the remaining members of the Committee.
4. No member of the Committee shall be an officer of the Town or a member of any Board of the Town.
5. The Committee shall meet and organize as soon as practicable each year after the final adjournment of the Annual Town Meeting and at such organization meeting shall elect a chairman and a clerk. (The present organization of the Committee consists of a chairman, vice-chairman, secretary and treasurer).
6. The Committee may carry on its inquiries and investigations through such sub-committees as it may create and the Committee shall determine the method by which such sub-committees shall be selected. (At the present time we are organized into five sub-committees, each with its chairman, which are appointed by the Chairman of the Committee).

IV Town By-Law Regarding the Purchase of Equipment, Supplies or Materials (Article 30, Town Meeting, March 2, 1953)

1. Except where recommendations therefor shall have been given in writing by the Finance Committee, no contract for the purchase of equipment, supplies or materials, the actual cost or estimated cost of which amounts to \$1,000.00 or more, except in cases of special emergency involving the health or safety of the people or their property, shall be awarded unless proposals for the same have been invited by advertisement in at least one newspaper published in the Town, or, if there is no such newspaper, in a newspaper published in the County, such publication to be at least one week before the time specified for the opening of said proposals. Such advertisement shall state the time and place for opening the proposals in answer to said advertisement and shall reserve to the Town the right to reject any or all such proposals. All such proposals shall be opened in public.

V Membership in Association of Town Finance Committees

1. The Committee is a member of the Association of Town Finance Committees for which its annual dues are \$25.00. Two meetings of the Association are held each year, usually in January or February and the Fall. Various information pertaining to municipal finances is distributed by the Association to the member Committees, including Bulletin E which is the "bible" of the Finance Committee.

Functions, Duties and Procedures of the Committee

1. The Committee is an advisory and not an administrative body, which situation is not altered because of its three statutory powers and any other powers granted by Town By-Laws.

The Committee is responsible for the preparation of the recommended budget for the

Annual Meeting (Schedules A, B and C). The following procedure was agreed upon two years ago and is still in effect as respects all Town Departments, Boards and Committees except the local School Committee and the Regional District School Committee:

- a. Prior to December 1 of every year each Town Department, Board or Committee will submit its requested budget for the ensuing year to the Town Manager.
 - b. The Town Manager will submit these various budget requests, together with his recommendations, to the Selectmen by December 1 of each year. He will confer with the Departments, Boards and Committees before then, but the Finance Committee will not.
 - c. The Selectmen will submit this budget to the Finance Committee on December 20 in the same form in which they received it from the Town Manager and they will append to it any changes or suggestions which they wish to make.
 - d. After December 20 the Finance Committee will analyze the budget and confer with heads of Departments, Boards and Committees. The Finance Committee or any Sub-Committee should notify the Town Manager whenever it plans to confer with any Town Department, Board or Committee that comes under his jurisdiction.
 - e. The Finance Committee will make its recommendations which will be the figures printed in Schedule A.
 - f. On any item where the Selectmen or the Town Manager present a different figure from that of the Finance Committee, the Selectmen or Town Manager will have to pass that item as it is read and defend their proposal before the Town Meeting.
3. The procedure as outlined in paragraph 2 is basically applicable to the local School Department budget although it should be borne in mind that the local School Committee has broad powers over its own budget and that it, rather than the Selectmen or Town Manager, would have to pass and defend any proposal on which the Finance Committee presented a different figure from that of the local School Committee.
4. The Concord-Carlisle Regional High School District is governed by Sections 14 to 16 I inclusive of Chapter 71 of the General Laws and the "Agreement" between the Towns of Concord and Carlisle. Under Section 16 of Chapter 71 a Regional School District is a body politic and corporate with all the powers and duties conferred by law upon School Committees. Section V of the "Agreement" covers the budget procedure of the Regional District School Committee. Paragraph (B) of Section V requires that on or before November 1 the Committee shall annually prepare a tentative maintenance and operating budget for the ensuing calendar year. Copies of such tentative budget shall be mailed to the Chairman of the Finance or Advisory Committee of each member town. Paragraph (C) of Section V requires the Regional District School Committee to adopt on or before December 1 in each year an annual maintenance and operating budget for the ensuing calendar year. The amounts apportioned for each member Town shall, prior to December 31 of each year preceding the calendar year to which said budget relates, be certified by the District Treasurer to the Treasurers of the member Towns, and each Town shall be liable for and shall appropriate the amounts so certified to it. You will note that nothing is said in the "Agreement" as to what happens between November 1, when the tentative budget is submitted to the respective Finance Committees, and December 1, when the Regional District School Committee adopts the final maintenance and operating budget. Therefore, on September 16, 1957 a memorandum was written to the Regional District School Committee by the School Sub-Committee of the Finance Committee outlining a suggested procedure to cover this period. We expect to review this subject again this year with the Regional District School

Committee, but at the present time following is the procedure that we operated under during the past two years:

- (a) The School Sub-Committees of the Concord and Carlisle Finance Committees shall meet with the Regional District School Committee prior to October 15 to discuss the budget before it is in its final proposed form.
 - (b) The budget shall be in the same form, utilizing the same categories, as that used in recent years by the Concord School Committee.
 - (c) The proposed budget shall be presented to the Selectmen and Finance Committees of the respective Towns on November 1.
 - (d) The Finance Committees shall hold a Public Hearing on the proposed budget prior to November 15.
 - (e) The Finance Committees shall make a published recommendation prior to December 1. This may or may not be in the form of a local newspaper release.
 - (f) The Concord Finance Committee proposes to make its recommendations and comments regarding the Regional High School's final budget in the Annual Report of the Finance Committee.
 - (g) Copies of the Regional High School Committee's requests to the Selectmen for capital expenses shall be forwarded to the respective Town Finance Committees.
5. When the Warrant for a Town Meeting contains any article or articles under which an appropriation or expenditure of money or the disposition of any property of the Town may be made, the Committee shall consider such article or articles after giving one or more public hearings thereon and shall report in print its recommendations to such Town Meeting. (Town By-Law)
6. The recommendations of the Committee concerning any articles in the Warrant for an Annual Town Meeting shall be printed and distributed to the Voters of the Town not less than seven days before such meeting. (Town By-Law) (Items 5 and 6 might be construed to mean that it is not necessary to distribute our recommendations to the voters at least seven days before a Special Town Meeting, but that we could distribute our recommendations at the Special Meeting).
7. The Committee may consider and report upon any other article in any Warrant issued for a Town Meeting whenever in the opinion of a majority of the Committee such consideration and report seem advisable for the best interests of the Town. (Town By-Law) (It has been and still is the practice of the Committee to recommend only on articles involving an appropriation or expenditure of money or the disposition of Town property).
8. Long Range Planning
- (a) While generally speaking long range planning is apart from consideration and advice as to the annual budget, it, nevertheless, concerns that to a degree, for while the cost of the current service program may be within the pocketbook, the trends or tendencies of increasing the same may be such that the burden in later years will prove too great. This danger should be analyzed and reported. To a greater degree, however, long range planning concerns necessary future capital outlays, inevitable as the community grows.

Laying out a year-by-year program for that is essential in order that such capital expenditures may not be made in a haphazard, ill-advised manner, by whim and caprice, without consideration of other capital items bound to come.

- (b) Some towns have established a special permanent committee for the sole purpose of studying into and annually reporting as to capital expenditures over a period of time.
- (c) Since Concord does not have such a special committee, the Finance Committee has undertaken this work in the past two years. We intend to continue on this project and bring our figures up to date in line with present requirements and developments. We have just completed negotiations with the Planning Board whereby two of its members have been appointed to work with our Long Range Planning Sub-Committee on this very important phase of our work.

II Annual Report of the Finance Committee to the Town

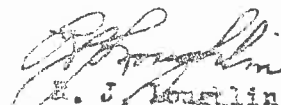
1. The Annual Report is the method by which the Committee makes its recommendations to the Town.
2. It is also our practice to insert in this Report the Articles of the Town Warrant and following each to give our recommendation where required or deemed advisable.
3. Schedule A in the Report is the maintenance and operating budget of the Town as recommended to the Voters by the Finance Committee. It is a segregated budget set up by function and the main items are salary, expense and equipment.
4. Schedule B consists of charges to the Town for State and County services and controls and is added to Schedule A to determine the total liability of the Town for a given year.
5. Schedule C is the estimated receipts for the ensuing year. These estimates are made after discussions with the Selectmen, Town Manager and Town Accountant. In this connection we should point out that you cannot use estimated receipts for the ensuing year that are greater than the actual receipts of the current year. In the event we receive the "Cherry Sheet" in time from the Massachusetts Department of Corporations and Taxation we use the estimates in this sheet for the items that apply to Schedules B and C. Schedule C subtracted from the total of Schedules A and B gives us the estimated total to be raised by taxation. The assessed valuation for the ensuing year is then estimated and agreed upon by the Finance Committee, Town Manager and Board of Assessors. The Finance Committee can then estimate the tax rate for the ensuing year by dividing the estimated amount to be raised by taxation by the estimated assessment per one thousand dollars. It should be borne in mind that this is an estimated tax rate and that the Assessors are charged by law with the setting of the final tax rate.
6. The following tables are included in our Report:
 - a. Table of Town Debt
 - b. Assessed Valuation at end of Year
 - c. Status of Excess and Deficiency Account
 - d. Transfers from Reserve Fund
 - e. Table of Tax Rate Comparisons
7. The Committee then makes a narrative report on items which it considers of paramount importance to the Voters of the Town.

II Summary of Functions, Duties and Responsibilities

1. Advisory, not an administrative body.
2. Exclusive control as to transfers from the Reserve Fund.
3. Concurrently with the Selectmen, to authorize incurring of liability for snow and ice removal during the interim period from January 1st to the time of making the next annual appropriations in excess of the sum otherwise authorized.
4. Recommendation of Finance Committee required for transfer of any amount previously appropriated to any other use authorized by law.
5. Recommendation of Committee required on all Warrant articles calling for an appropriation or expenditure of money or the disposition of any Town property.
6. A Public Hearing must be held before making recommendations.
7. The recommendations on articles in the Warrant for an Annual Town Meeting shall be printed and distributed to the Voters of the Town not less than seven days before such meeting.
8. May recommend upon any other Warrant articles if deemed in the best interests of the Town.
9. Carries on its inquiries and investigations of the budget and Warrant articles through sub-committees.
10. May authorize in writing the purchase of equipment, supplies or materials costing \$1,000 or more without the necessity of putting out on bid.
11. Preparation of the recommended budget for the Annual Meeting (Schedules A, B and C).
12. Estimate of the tax rate.
13. Long range planning
14. Annual Report to the Town.

I apologize for the length of this document, but I have written it not only to comply with your request of May 20, 1959, but also in order to consolidate in one place various material pertaining to the operation of the Finance Committee for the benefit of present and future members of the Committee. With this material as a starting point a member can then refine and increase his knowledge by studying such reference material as Bulletin E, the Town By-Laws, Town Reports and applicable General Laws.

The summary of our functions, duties and responsibilities (Section VIII of this report) should give you the necessary information. It is our opinion that we do not overlap or duplicate the activities of any other Town Board, Committee or Department.


E. J. Douglas
Chairman