



TOWN OF WESTBOROUGH

TOWN MEETING HANDBOOK

**Prepared by
The Town Moderator
&
The Advisory Finance Committee**

Please return this handbook for future use
when you exit Town Meeting.

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Table of Contents

| | |
|---|----|
| Town Moderator Comments | 1 |
| What Is The Town Meeting, and How Does It Work? | 1 |
| What Activities Go on Outside the Meeting? | 2 |
| How Do I Gain Admission to the Meeting?..... | 3 |
| What Business May Be Transacted at a Town Meeting?..... | 3 |
| Who Participates in a Town Meeting; Where Do They Sit? | 4 |
| How is Discussion Conducted?..... | 5 |
| What Are The Guidelines For Speaking at the Meeting?..... | 5 |
| Are There Guidelines for Town Meeting Presentations?..... | 6 |
| How Is Voting Conducted at a Town Meeting?..... | 7 |
| Can a Vote at Town Meeting Be Reconsidered? | 7 |
| What Are the Rules for Photography at a Town Meeting? | 8 |
| Where Can I Find Out More?..... | 9 |
| Advisory Finance Committee Message to Town Voters..... | 10 |
| About the Advisory Finance Committee..... | 12 |
| Enterprise Funds..... | 14 |
| Explanation of Funding Sources | 16 |
| Glossary of Terms | 17 |
| Understanding the Report & Recommendations Booklet | 20 |
| Understanding the Revenue & Expense Report | 22 |
| Understanding the Free Cash & Transfer Report | 24 |

Town Moderator Comments

Welcome to Town Meeting and thank you for attending! As the Town's Moderator, I preside and regulate the proceedings in accordance with established procedures. The rules summarized here are found in a wide variety of sources. Although the rules themselves provide the structure that guides the Town Meeting, this summary is intended to help all Town Meeting attendees understand and participate more effectively in the Town Meeting.

If you have questions that are not answered here, please ask me. If you have thoughts or ideas on how our Town Meetings can be improved, please let me know. There are comment cards at the check-in desks where you can note your ideas or get my contact information.

John E. Arnold, Moderator

What Is The Town Meeting, and How Does It Work?

The town meeting is the **legislative branch** of our local government. As voters at the Town Meeting, we are Westborough's legislators. The town meeting has the power to make and amend local by-laws, and to appropriate funds on behalf of the town. Under state law, many other matters come before the meeting as well. We have an **open town meeting**, which means that any registered voter may attend and speak. Each voter present gets one vote. Town Meeting votes typically authorize various actions to take place, while the Board of Selectmen, the School Committee, or others from the executive branch actually take these actions.

The meeting operates under the **Massachusetts General Laws** (see Chapter 39 for many of the rules), and in accordance with our **Home Rule Charter** and **By-laws**. In situations not covered

by these authorities, guidance is provided by local tradition and **Town Meeting Time**, the handbook of parliamentary procedure published by the Massachusetts Moderators Association. It is available in the public library. Robert's Rules of Order is not used, although many of our rules are similar or identical to those found in Robert's.

What Activities Go on Outside the Meeting?

Literature from various sources pertinent to the subjects to be discussed at the meeting, and to community, school and local government activities in general, is available in the lobbies outside the High School Auditorium where the Town Meeting is held.

Various local organizations may also be present in order to disseminate information, generate support, and raise funds. Since Town Meeting is held inside the High School, approval of both the School Department and the Moderator must be secured in advance in order for an organization to do this. Start by contacting Cynthia Crowley in the School Department offices on the third floor of the Forbes Municipal Building—ideally three or more weeks in advance of the meeting.

How Do I Gain Admission to the Meeting?

Registered voters must obtain a colored **voting slip** from the **checkers** outside the auditorium, for purposes of identification. In cases where we use electronic voting, registered voters will also receive a handheld electronic voting device which **must** be returned to the **checkers** when you leave the meeting. Non-voters are welcome to attend as well. They usually sit in the designated "non-voter" section. No votes are counted, nor is debate entertained, from this section. Non-voters who wish to sit in a voter section and participate in debate should see the checkers and obtain a Request for Permission for Non-Voter to Participate in Town Meeting, and follow the instructions given.

What Business May Be Transacted at a Town Meeting?

The agenda for a town meeting is called the **warrant**; it is issued by the selectmen and posted in advance. The **articles** in the warrant comprise a list of all the business to be considered by the town meeting, and no binding action may be taken on matters not described there. The articles are usually taken up in the order that they are listed, but this is not required. The order may be changed by vote of the meeting.

Each article in the warrant that requires funding includes wording indicating one or more options for obtaining the money. See the Advisory Finance Committee's **Glossary of Terms** for more on this subject.

Who Participates in a Town Meeting; Where Do They Sit?

The warrant, which is formally issued by the **Board of Selectmen**, is drawn up by the **Town Manager** with the advice of **Town Counsel**. These individuals are all seated at the front of the hall, at the voters' left.

The meeting is conducted by the **Moderator**, who stands at the lectern on the stage. Seated nearby is the **Town Clerk**, who supervises the checkers and is responsible for preparing the record of the meeting. The records of the prior year's meetings are found in the Annual Report of the Town.

The **Advisory Finance Committee** is seated at the front of the hall at the table to the voters' right. This group is charged with preparing an independent recommendation for the voters on each article in the warrant. Committee members may not serve the town in elective office or as officials appointed in any other capacity, nor may town employees serve. The articles in the warrant, plus the recommendation on each by the Advisory Finance Committee, form the principal content of the Committee's Report and Recommendations to each Town Meeting.

The tables in the center are utilized by others involved in whatever business is at hand. The **School Committee** and **School Administrators** sit toward the front of the hall at the voters' right, while the **Planning Board** and the **heads of the major town departments** are typically seated at the front at the center and the left.

Other boards, committees, and individuals can also play key roles in the meeting.

The most important participants are the **voters**, who ultimately decide the issues. There is no quorum or minimum number of

voters necessary at the March Annual and October Special Town Meetings. Any other Special Town Meetings that may be called have a quorum of 50 voters.

How is Discussion Conducted?

At each session of the meeting, after preliminary activities the Moderator introduces each article in order. The department or individual responsible for it is asked to make an appropriate motion, and explain the supporting reasons. While articles may be general in their wording, motions are always specific. For example, a specific source of funds is selected. The Town Meeting acts on motions, not articles. A motion may be identical to the article under which it is made, or it may differ, either from the outset or through amendment. However, it may not go beyond the scope of the article.

No one may speak without first being recognized by the Moderator. Voters who wish to be recognized may stand in line near one of the two microphones placed in the auditorium or may raise their voting slip while seated. If the Moderator recognizes a voter to speak who is not near a microphone, a member of a local Scout troop will bring a microphone; we appreciate their providing this service.

What Are The Guidelines For Speaking at the Meeting?

Each speaker begins by giving his or her name and street address for identification. We have no formal time limits, per speech or per article, unless specifically voted by the meeting, but needlessly extended speeches are discouraged. After introductory statements, a maximum of three minutes per speech is a good guideline.

It is our long-standing tradition not to applaud, heckle or interrupt at any time when debate is in progress, out of courtesy and

mutual respect for one another and our differing opinions.

No one may speak more than twice on any question until others who have not spoken and who wish to be heard have had an opportunity to speak; even then, the consent of the meeting must be obtained. Exceptions to this rule are made for those speaking simply to answer a question, or supply information requested.

Although it should not be done prematurely, a voter who feels that there has been sufficient discussion may move to end debate. However, it is our custom not to allow this motion as part of a speech, not even a short one. A voter who wishes to propose that debate be ended must first be recognized and identify himself or herself; then he or she should simply say, "I move that debate be ended." If in the Moderator's view there has been sufficient opportunity for debate, the motion will be accepted and put to a vote.

Are There Guidelines for Town Meeting Presentations?

Presenting a proposal to the town meeting is immensely facilitated by observation of some basics set forth in a document prepared specifically for those involved in the preparation and advocacy of the articles. It covers certain procedures in more detail than is found here, offers tips on how to improve a presentation's chances of success, and discusses the preparation of clear, legible visuals. It is available on the Town's Web site (see "Where Can I Find Out More?" section below). You may also obtain a copy from the Moderator.

How Is Voting Conducted at a Town Meeting?

When the discussion is over the vote is taken by a display of **voting slips** or using a **handheld electronic voting device**. The proposal under discussion is typically embodied in the main motion; it may be modified by motions to amend, or dealt with by other motions, such as a motion to refer to a committee. At times we may entertain 1 or 2 amendments at the same time as the main motion and discuss all at once. Votes are taken in accordance with an established order of precedence. The treatment and order of receipt of all motions is left to the final decision of the Moderator.

Votes conducted with an electronic voting device are counted automatically and the Moderator will announce the count of each vote taken in this manner. Votes conducted with the voting slips may be counted by the **tellers** if the Moderator so directs, and must be counted if the announced outcome is immediately questioned.

Many decisions require simple majority votes, but sometimes a **super-majority** is required. A motion to terminate debate requires a two-thirds vote. Certain actions require a two-thirds vote per State law, including borrowing and zoning by-laws.

Can a Vote at Town Meeting Be Reconsidered?

A vote taken at the town meeting can be reconsidered by the same meeting only if the conditions of the Town's reconsideration by-law are met. Our **reconsideration by-law** (Article 2, Section 10) reads as follows:

“Once final action has been taken on an article, and the meeting has taken up the next order of business or has adjourned, the matter may not again be taken under consideration at that town meeting unless, in the best judgment of the Moderator, a significant error or omission occurred in the language or the process of the original action on the article, or a significant change of circumstances has occurred, such that there is a clear likelihood that the outcome could change upon reconsideration or that reconsideration would be in the Town’s best interest.”

“Such errors, omissions or changes of circumstances shall be brought to the Moderator’s attention as soon as they are known, and the Moderator shall determine if and when the matter will be taken up. The Moderator shall announce this decision to the town meeting. If the Moderator determines that the matter may be taken up pursuant to this section, a three-quarters vote shall be necessary in order to proceed with reconsideration.”

Additional language provides for reconsideration in situations where the meeting has appropriated more than allowed by Proposition 2½.

What Are the Rules for Photography at a Town Meeting?

The meeting is videotaped and live broadcast by Westborough TV, and it is audio taped for the benefit of the **Town Clerk** in her preparation of the record of the meeting. This and all photography (still or video) and recording of the Town Meeting is governed by a local By-law.

Article 2, Section 19 of the Town’s By-laws set the rules for still and video photography at a Town Meeting (emphasis added):

“Still and motion photography, televising, and video recording shall be permitted **only under the following circumstances**:

1. Cameras are to be utilized **only in a location or locations agreed upon** by the Moderator and the Permanent Cable Supervisory Committee, and shall be placed and operated so that there is no active interference with the orderly conduct of Town Meeting.
2. All recording activities shall be conducted in an **orderly, non-intimidating and non-intrusive manner**. Existing lighting shall be used, i.e. no additional external illumination shall be utilized for the purpose of photographing or videotaping.
3. The official record of the meeting is kept exclusively by the Town Clerk, and no recording of whatever kind may be substituted therefore.
4. Any questions concerning these activities during Town Meeting shall be decided in accordance with this Section 19 at the sole discretion of the Moderator.”

Where Can I Find Out More?

You can consult the sources listed in this summary, or go to www.town.westborough.ma.us, and click on “Town Meetings” at the upper right. Both video and print documents are available.



Moderator email address: Moderator@town.westborough.ma.us

Advisory Finance Committee Message to Town Voters

At Annual, Fall and Special Town Meetings, you will hear about Town department budgets as well as requests for funds to finance certain equipment and services. You will also hear proposals for zoning changes and other articles of various Town business.

To fulfill our role as your Advisory Finance Committee, we review the entire warrant, discuss, and deliberate each article extensively to prepare a Report and Recommendations Booklet for Town Meeting voters. We meet with Town Department Heads, Committees, and the Town Manager to understand the budget requirements and the effect of the Warrant Articles on the Town; we also solicit comments, concerns and suggestions from Town residents. We report our findings and recommendations to you, the legislative body, for your consideration.

At Town Meeting, any amount raised and appropriated is funded through property tax bills. Any amount borrowed will bind the Town to pay for the principal and interest necessary to repay that borrowing in future years. An amount transferred from available funds reduces the overall balance of those funds and reduces the amount available for other uses. Directly or indirectly, Town Meeting actions also contribute to the amounts we pay in fees for Water, Sewer, Schools, Recreation programs and other activities.

Voters will hear about spending requests and projects that, when viewed individually, are justifiable and fill an important need. However, when taken as a whole, the question becomes more complex. As voters, we ask the question, “Can we afford them all and, if not, which priority best reflects the needs of the Town when balanced with our ability to pay”?

Calculation of the tax rate (ultimately tax bills) depends on factors the voters can directly control (i.e., the amount of money that is ‘raised and appropriated’), and some items voters cannot

control (i.e., the overall valuation of the properties in town).

The Town's maximum allowable levy – the amount that the Town can tax before requiring a Proposition 2½ override – increases automatically by 2½% over the previous year's levy limit (allowed by Proposition 2½) plus new growth.¹

In the Report and the Recommendations Booklet, the Advisory Finance Committee provides you with our shared understanding of the issues, challenges, and choices that face us all. The Advisory Finance Committee acknowledges the work that has gone into the proposals that come before Town Meeting, and thanks all Town employees and members of boards, commissions and committees who provided the required information to us to complete our task. You, the voters, make the final decisions about the funding for each of the Town's programs and services. The decisions the voters make at Town Meeting directly set the priorities for the Town and its departments.

The following is a glossary of Terms and Definitions you will see in the Report and Recommendations Booklet and hear during presentations and discussions at Town Meeting.

Advisory Finance Committee

You may contact the Advisory Finance Committee via email. Each member's email address may be found at: http://www.town.westborough.ma.us/Public_Documents/WestboroughMA_BComm/advisory

¹Definitions provided by the Massachusetts Department of Revenue in its "Municipal Finance Glossary" available at: [http://www.mass.gov.\(DOR: Home>Local Officials>Municipal Data and Financial Management> Municipal Knowledge Base\).](http://www.mass.gov.(DOR: Home>Local Officials>Municipal Data and Financial Management> Municipal Knowledge Base))

About the Advisory Finance Committee

Chapter 39, Section 16, of the Massachusetts General Laws states:

"Every town.....shall..... by by-law provide for the election or the appointment and duties of appropriation, Advisory or Finance Committee, who shall consider any or all municipal questions for the purpose of making reports and recommendations to the town"

Article 3 of Westborough's Town Bylaws describes the form and function of the Town's Advisory Finance Committee.

ARTICLE 3: Advisory Finance Committee

Section 1. There shall be an Advisory Finance Committee consisting of nine voters of the Town, no one of whom shall be a Town officer now elected by ballot, or an appointed official or a Town employee. Said Committee shall choose its own officers and shall serve without pay, except the clerk, who shall receive reasonable compensation for his services. The clerk of said Committee may or may not be a member of the Committee.

Section 2. The Moderator, after each Annual Town Meeting, shall appoint three members of said Committee for terms of three years. The terms of office of said members shall commence immediately upon qualification, and shall expire after the final adjournment of the Annual Town Meeting or as soon as their successors are appointed and qualified.

Section 3. The Moderator shall fill by appointment any vacancies which may occur and said appointee shall serve for the remainder of his predecessor's term of office.

Section 4. To this Committee shall be referred all articles in any warrant for a Town Meeting, and said Committee shall report thereon to the Town Meeting and make such recommendations as it deems best for the interests of the Town and its citizens. This Committee shall also consider all matters relating to the appropriation, borrowing and expenditure of money by the Town, its indebtedness, methods of administration of its various departments, and other municipal affairs. Town Departments shall consult the Finance Committee relative to contracts for professional services and said Committee shall make recommendations thereon to the various Town Departments.

Section 5. In the discharge of its duty, said Committee shall have free access to all books of record and accounts of any office or department of the Town.

Enterprise Funds

The enterprise fund statute, M.G.L. c. 44, § 53F ½ was enacted to provide communities with more flexibility to account separately for a range of municipal services for which a fee is charged in exchange for goods or services. A city or town may adopt an enterprise fund for “a utility, healthcare, recreational or transportation facility.” Examples include provision of water, sewer, trash disposal, ambulance services, nursing homes, skating rinks, swimming pools, and golf courses. An enterprise fund may not be established for normal government operations such as public safety, inspectional services or cemeteries. Once adopted by Town Meeting vote, an enterprise fund must be operated as such for a minimum of three years before it may be rescinded. Enterprise funds can only be used for the stated purpose of each particular fund, and cannot be used for non-enterprise services.

Westborough has established three separate enterprise funds for its water utility, sewer and wastewater treatment, and its golf course. Generally, residents and businesses that use Town water and are connected to Town sewers are assessed a fee for the amount of water going in (water rate), and a fee for the water to leave (sewer rate). People who do not use an enterprise fund service do not pay fees for that service. For example, a resident who does not use Town water but is connected to Town sewer would only pay sewer fees. Approximately 80% of Westborough is served by Town sewer.

The voters at Town Meeting decide whether or not to fund appropriations for both regular government and enterprise-funded operations. The key distinction is that spending for enterprise accounts is supported by user fees, not tax revenues. Although the correlation is neither simple nor direct (factors include available revenue sources, borrowing costs, fixed costs unrelated to usage, costs related to usage, the amount of usage, the number of users, etc.), it is fair to say that when additional spending is authorized for an enterprise fund, the rates or fees for that service

are likely to increase. We provide a very simplified diagram to illustrate the separate funding sources.

Enterprise Funded Operations:

| | | | | |
|---|--|---|---|--|
| Enterprise Retained Earnings Account, beginning balance → | Plus (+) anticipated revenue from user fees and state or federal revenues sources, if any, → | Minus (-) appropriations and Reserve Fund transfers authorized by Town Meeting vote → | = Balance in Enterprise Retained Earnings à | Reviewed by appropriate authority, who may vote to increase user fees. |
|---|--|---|---|--|

Regular Government Operations:

| | | | | |
|--------------------------------|---|---|---|--|
| Prior Year Levy Limit Amount → | Plus (+) 2.5%, New Growth, School Debt Exclusion, Local Revenue, State Aid, Free Cash, Avail Transfers, etc., → | = Levy Limit. Amount that can be raised by taxes without a Proposition 2 ½ override → | Amount voted at Town Meeting to Raise & Appropriate → | = Amount needed to raise by local taxes. |
|--------------------------------|---|---|---|--|

Explanation of Funding Sources

Each article in the warrant that requires funding includes wording indicating one or more options for obtaining the money. There are three (3) usual sources of funding that can be used individually or in conjunction with one another:

- To "**raise and appropriate**" means to raise the money via the property tax and appropriate it for the purposes of the article or motion.
- To "**transfer from available funds**" means to utilize unexpended money from previous appropriations or other available funds.
- To "**borrow pursuant to any applicable statute**" means to borrow money to be paid back, with interest, over a period of time.

Glossary of Terms²

Debt Exclusion - An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy, but outside the limits under Proposition 2½. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.

Excess Levy Capacity - The difference between the levy limit and the amount of real and personal property taxes actually levied in a given year. Annually, the Board of Selectmen or City Council must be informed of excess levy capacity and their acknowledgment must be submitted to DOR when setting the tax rate.

Free cash - Remaining, unrestricted funds from operations of the previous fiscal year including unexpended free cash from the previous year, actual receipts in excess of revenue estimates shown on the tax recapitulation sheet, and unspent amounts in budget line-items. Unpaid property taxes and certain deficits reduce the amount that can be certified as free cash. The calculation of free cash is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant, or comptroller. Important: free cash is not available for appropriation until certified by the Director of Accounts.

²Definitions provided by the Massachusetts Department of Revenue in its "Municipal Finance Glossary" available at: [http://www.mass.gov.\(DOR: Home>Local Officials>Municipal Data and Financial Management> Municipal Knowledge Base\).](http://www.mass.gov.(DOR: Home>Local Officials>Municipal Data and Financial Management> Municipal Knowledge Base).)

Levy - The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2½ provisions.

Levy Limit - A levy limit is one of two types of levy (tax) restrictions imposed by MGL Ch. 59 §21C (Proposition 2½). It states that the real and personal property taxes imposed by a city or town may only grow each year by 2½ percent of the prior year's levy limit, plus new growth and any overrides or exclusions. The levy limit can exceed the levy ceiling only if the community passes a capital expenditure exclusion, debt exclusion, or special exclusion.

Local Aid (aka State Aid) - Revenue allocated by the Commonwealth to cities, towns, and regional school districts. Estimates of local aid are transmitted to cities, towns, and districts annually by the "Cherry Sheets." Most Cherry Sheet aid programs are considered general fund revenues and may be spent for any purpose, subject to appropriation.

Local Receipts - Locally generated revenues, other than real and personal property taxes. Examples include motor vehicle excise, investment income, hotel/motel tax, fees, rentals, and charges. Annual estimates of local receipts are shown on the tax rate recapitulation sheet.

New Growth - The additional tax revenue generated through new construction, renovations and other increases in the property tax base during a calendar year. It does not include value increases caused by normal market forces or by revaluations. New growth is calculated by multiplying the assessed value associated with new construction, renovations and other increases by the prior year tax rate. The additional tax revenue is then incorporated into the calculation of the next year's levy limit. For example, new growth for FY06 is based on new construction, etc. that occurred between January and December 2004. In the fall of

2005, when new growth is being estimated to set the FY06 levy limit, the FY05 tax rate is used in the calculation.

Overlay Reserve - An account established annually to fund anticipated property tax abatements, exemptions and uncollected taxes in that year. The overlay reserve is not established by the normal appropriation process, but rather is raised on the tax rate recapitulation sheet.

Overlay Surplus - Any balance in the overlay account of a given year in excess of the amount remaining to be collected or abated can be transferred into this account. Within ten days of a written request by the chief executive officer of a city or town, the assessors must provide a certification of the excess amount of overlay available to transfer. Overlay surplus may be appropriated for any lawful purpose.

Reserve Fund - An amount set aside annually within the budget of a city (not to exceed 3 percent of the tax levy for the preceding year) or town (not to exceed 5 percent of the tax levy for the preceding year) to provide a funding source for extraordinary or unforeseen expenditures. In a town, the finance committee can authorize transfers from this fund for "extraordinary or unforeseen" expenditures. Other uses of the fund require budgetary transfers by town meeting. In a city, transfers from this fund may be voted by the City Council upon recommendation of the mayor.

Stabilization Fund - A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose (M.G.L. c. 40, §5B). Communities may establish one or more stabilization funds for different purposes and may appropriate into them in any year an amount not to exceed ten percent of the prior year's tax levy. A two-thirds vote of Town Meeting or City Council is required to establish, amend the purpose of, or appropriate money from the stabilization fund.

Understanding the Report & Recommendations Booklet

The Report and Recommendations Booklet falls into a fairly standardized format for each Town Meeting whether that is the Annual, Fall or a Special Town Meeting.

Message to Town Voters – The Advisory Finance Committee prepares an individual message to Town voters for each Town Meeting which is specific to that Town Meeting and the business before the Town and for the voters to consider. It may reference specific Warrant Articles, financial information or changes that the committee feels are important for the Town voters to consider.

Financial Revenue & Expense Report – Please see the detailed description below.

Free Cash and Retained Earnings Transfer Report – Please see the detailed description below.

Index of Articles and Summary of Recommendations – An index of the articles along with a summary of the recommendations of the Finance Committee is provided, typically following the Financial Reports.

Town Warrant Articles – Articles for the Warrant must be presented in writing to the Board of Selectmen not less than 30 days prior Town Meeting. The Board of Selectmen must approve the Articles and close the Warrant 7 days prior to an Annual Town Meeting and 14 days prior to a Special Town Meeting. The Annual Town Meeting officially begins with the annual Town Elections.

These Articles are then passed to the Advisory Finance Committee for review and recommendation to the town voters.

Each article is presented as written in the Warrant.

An additional Town Manager's Statement with a more detailed description of the article and its predicted effect on the Town is presented.

A recommendation to approve or defeat the article is presented by the Advisory Finance Committee with the recorded vote.

A statement by the Moderator may or may not be included to indicate whether the expected main motion for a particular article requires a "Simple" majority or a "2/3rds" majority vote. Any printed statement reflects the expected main motion since different motions can have a different quantum of vote.

The Board of Selectmen's vote to approve or defeat the article is also provided.

Understanding the Revenue & Expense Report

Usually located near the front of the Report and Recommendations Booklet, the Revenue and Expense Report is a financial statement reflecting the methodology of determining the Town's Tax Levy.

The report begins with **Expenditures** by the Town.

Schools

Town

Enterprise Funds – Operating Expenses for Water, Sewer, Waste Water Treatment and Country Club

Articles (non-borrow) – These are the Warrant Articles in the accompanying pages of the Report and Recommendations Booklet to be voted on and either approved or defeated by Town Meeting. Increasing or decreasing the value of a Warrant Article on Town Meeting floor will affect this overall report and the associated Tax Levy amount, and ultimately the Average Tax Bill per household.

Overlay Reserve – This is a dollar value amount set by the Assessor's Office which provides a cushion to the tax levy (revenues) to allow for approved abatements and adjustments to property valuations and taxes, along with property tax work-off programs.

Estimated **Revenues** are then listed:

Non-Tax Levy Revenues:

State Aid – (Schools, Ch. 70), in a complex calculation based on the Total School Budget for student population, per student spending, town valuation, town wealth, per capita income and others factors, the Commonwealth of Massachusetts provides a

return of your state taxes in the form of this Chapter 70 aid.

State Aid – (unrestricted) This is money appropriated each year by the Commonwealth of Massachusetts; it is unrestricted and may be used for any purpose.

State Aid – (School Buildings) This is money pledged by the Commonwealth of Massachusetts to assist communities with the construction of new schools. The amount is linked to a “Borrowing” done by the town to pay for new school construction and this money is to assist in the repayment of that loan.

State Aid – (Roads, Ch. 90) This is money appropriated each year by the Commonwealth of Massachusetts to assist in the maintenance and new constructions of roads; it can only be used for that purpose.

Local Receipts – This is an estimated value from the Town Accountant's Office based on input from Town departments and historical receipts for a reasonable estimation of income receipts from a variety of sources for the pending Fiscal Year.

Enterprise Receipts – Same as Local Receipts except specific to the Enterprise Operations.

Free Cash Used – This is the value of Warrant Articles that use “Free Cash” as a funding source.

Retained Earnings & Transfers – This is the value of Warrant Articles that use “Retained Earnings” from Enterprise Funds or other Transfers from Stabilization Funds as a funding source.

Tax Levy – The difference between the Expenditures and Revenues yields the amount we estimate we must raise through property taxes

Understanding the Free Cash & Transfer Report

This report provides more explanation of the last two items in the Revenue and Expense Report: “Free Cash Used” and “Retained Earnings & Transfers”.

The calculation of “**Free Cash**” is based on the balance sheet as of June 30, which is submitted by the community's auditor, accountant and certified by the State’s Director of Accounts. Typically, Free Cash from the previous year is certified around September 1st in time for the Fall Town Meeting.

First is a listing of the Warrant Articles that utilize Free Cash as a funding source. The amount, article number and a brief description are presented; one should refer back to the actual warrant article for a more detailed description.

Next is a listing of “**Retained Earnings Transfers**” beginning with the Enterprise Funds for Water, Sewer and Country Club, followed by the Stabilization Funds. Again, the amount, article number and a brief description are presented, with a more detailed description contained within the actual warrant article.

Following that are listings for Prior Year Budget Article transfers and others.

On the lower half of the reports are the projected balances of these accounts.

As an example, utilizing the first listing for the General Fund’s Free Cash Balance, the first column shows the certified amount of Free Cash available as of August 31st, which would have been the result of the financial operations of the previous Fiscal Year.

The next column shows any transfers that may have taken place at the Fall Town Meeting (FTM).

The next column shows the proposed usage of Free Cash at the current Annual Town Meeting from the listing above and the final column is the Estimated Ending Balance should all the associated Warrant Articles be approved by Town Meeting.

The same format is used for the Enterprise and Stabilization Funds.

A total of All Reserves is shown and a sub-total for just the General Free Cash and Stabilization Fund is also shown.

OPEB – Assessed Liability. The town has an assessed liability for “**Other Post Employment Benefits**”, primarily for retiree Health Insurance costs, which are currently unfunded. The Town established a “Trust Fund” to contribute to funding this liability for both current and future retirees.

Finally there is an assessment of Total Reserves relative to the current Operating Budgets.