

**TOWN OF MILLIS
FINANCE COMMITTEE
OPERATING POLICIES AND PROCEDURES**

I. PURPOSE

- A. The Finance Committee of the Town of Millis has ~~undertaken to create~~created operating policies and procedures for the Finance Committee to codify and consolidate the traditional and accepted working relationships among members of the Committee, with the Town Administrator, and with other Town Boards, committees, officials, and citizens. Acceptance of the policies and procedures embodied herein shall supersede any previous policies and procedures accepted by past Finance Committees. Unless otherwise noted, the term "Committee" shall refer to the Millis Finance Committee. The term "MGLA" shall refer to the Massachusetts General Laws, as amended.

II. NATURE OF POLICIES AND PROCEDURES

- A. These policies and procedures should be considered supplemental and subordinate to language embodied in state statutes and Town By-laws concerning the Town of Millis Finance Committee. If any of the individual policies and procedures embodied herein are held to be unconstitutional or invalid, the remaining policies and procedures shall not be affected thereby.

III. PROCEDURE FOR ESTABLISHING POLICIES AND PROCEDURES

- A. A policy may be initiated by a member of the Committee, the Select ~~Committee~~Board, the Town Administrator, a Town employee, or by a resident of the Town by requesting that the Chair provide for discussion of the proposed policy in the agenda of a regular meeting of the Committee. The individual initiating the discussion shall provide the Committee with a written draft of the proposed policy for distribution to the Committee. The Committee may schedule any hearing or meetings it deems necessary for discussion. The Committee may distribute a draft for comment to appropriate officials as it deems necessary, and shall notify of the discussion any Town Committees, committees, or employees who may be affected by the policy.
- B. The Committee shall not vote on a policy until the second meeting following its introduction. A vote by a majority of the Committee's members shall be required for the adoption of a new or amended Committee policy. A new or revised policy adopted by the Committee shall take effect immediately unless otherwise voted and shall be ~~carried out~~in effect until it is rescinded or amended.
- C. The Town Administrator shall be responsible for the maintenance of all policies and procedures, for updating the Policy Manual with new and amended policies, and for ensuring that copies of the Committee's policies and procedures are distributed to newly elected Committee members. Copies of the Policy Manual

shall be made available to the public at the Town Administrator's Office, at the Office of the Town Clerk, and shall be posted on the Town's Official Website.

IV. AUTHORITY AND ROLE OF THE FINANCE COMMITTEE

- A. ~~The Members of the~~ Finance Committee ~~is-are~~ appointed by the Moderator and ~~the Committee~~ derives its authority and responsibilities from the statutes of the Commonwealth of Massachusetts, and from the home rule charter and by-laws of the Town of Millis. According to the town by-laws, within forty-five (45) days after adjournment of the Annual Town Meeting, the Moderator shall appoint a committee of nine who shall be known as and constitute the Finance Committee. They shall be appointed from among the legal voters of the Town who do not hold an elective office in the Town. Within forty-five (45) days after the adjournment of each Annual Town Meeting, the Moderator shall appoint three members to serve for terms of three (3) years. Any vacancy that shall occur in the membership of said Finance Committee shall be filled by the Moderator, and the appointee shall serve for the balance of the term in which such vacancy occurred.
- B. It is the duty of the Committee to consider and investigate all articles included in the warrant for each Town Meeting and to make a written report of its findings and its recommendations. The Committee shall advertise and hold a public hearing prior to the Annual Town Meeting and may do so prior to any Special Town Meeting. The Committee may require the attendance of any Town officer to furnish it with the necessary information. A Committee member wishing an in-depth inquiry into a department's budgets, policies, procedures, or operations as it pertains to ~~Warrant Article~~ ~~Warrant Articles~~ should make such a request during a regular Committee meeting in open session and receive approval by the Chair. Requests by Committee members for written legal opinions must be channeled through the Chair and the Town Administrator, and all such written opinions must be made available to all Committee members.
- C. No actions representing the Committee shall be taken by a member or members of the Committee without the prior consent of a majority of the Committee.

V. DUTIES, RESPONSIBILITIES, AND OBLIGATIONS OF COMMITTEE MEMBERS

- A. ~~A member~~ ~~Members~~ of the Committee, in relation to their responsibility to the community, shall:
1. recognize that their primary role is to advise Town Meeting concerning Warrant Articles presented at the Spring Town Meeting, Fall Town Meeting and any Special Town Meetings;
 2. administer the reserve fund set aside by Town Meeting to provide for time-sensitive and/or or unforeseen expenditures that might arise between town meetings;
 3. recognize that they are a member of a team, and shall abide by all

Committee decisions once they are made.

B. Furthermore, a Finance Committee member shall:

1. endeavor to make clear and well-researched recommendations at Town Meeting for the benefit of the people of the Town;
2. be well informed concerning the duties of a Committee member on both state and local levels;
3. recognize that all Committee members are appointed by the Moderator to serve Town Meeting and therefore have an obligation to make decisions that they believe will best support the entire community;
4. accept the office of Finance Committee member as a means of public service, not to benefit personally or professionally from their Committee activities;
5. be familiar with and abide by the provisions established by the Commonwealth in MGLA Ch 268A as they apply to municipal officials;
6. Be familiar with and abide by the open meeting law and the public records law as they apply to municipal elected and appointed officials.
7. not make statements or promises of how they will vote on matters that will come before the Committee until they have had an opportunity to hear all sides of the issue at a Committee meeting;
8. make recommendations only after all ~~facts on a question~~issues have been presented ~~or and~~ discussed;
9. treat with respect the rights of all members of the Committee despite differences of opinion.

VI. FINANCE COMMITTEE RESERVE FUND

- A. The Town has established a Finance Committee Reserve Fund, for unforeseen and extraordinary events, ~~of a minimum of \$100,000 to .05% of the prior year adjusted general fund operating budget (operating budget less debt service and assessments)~~. The Finance Committee is authorized to transfer from this fund for "extraordinary or unforeseen" expenditures as determined by vote of the Finance Committee at a scheduled public meeting. Other uses of the fund require budgetary transfers by Town Meeting.

VII. ORGANIZATION OF THE COMMITTEE AND ELECTION OF OFFICERS

- A. Officers of the Committee (Chair, Vice Chair, and Clerk) shall be elected annually at the first or second meeting of the Committee for any calendar year. The election of officers is by majority vote. If a vacancy occurs among any of the officers ~~of the Committee~~, the Committee shall elect a successor at its next regular meeting. Nominations of officers shall require both a nomination and a second.

- B. The Committee may at any time by majority vote remove ~~the Chair or~~ any of the officers from their positions with or without cause. In the event that the Chair is ~~not re-elected~~removed, the Vice Chair shall serve as Chair Pro-Tem until the new officers of the Committee are elected.
- C. The Town Administrator shall designate a town employee to serve as Committee secretary to take the minutes of all Finance Committee Meetings and to assist with Committee communication and organization.

VIII. RESPONSIBILITIES OF THE OFFICERS OF THE COMMITTEE

- A. The Chair shall:
 - 1. preside at all meetings of the Committee at which they are present. In doing so, they shall maintain order in the meeting room, recognize speakers, call for votes, and preside over the discussion of agenda items;
 - 2. sign official documents that require the signature of the Chair, following a vote of the Committee;
 - 3. call special meetings of the Committee in accordance with the Open Meeting Law;
 - 4. prepare meeting agendas with the Town Administrator;
 - 5. represent the Committee at meetings, conferences, and other gatherings unless otherwise determined by the Committee or delegated by the Chair;
 - 6. serve as spokesperson of the Committee at Town Meetings and present the Committee's position unless otherwise determined by the Committee or delegated by the Chair;
 - 7. make liaison assignments, as appropriate, and assign overview responsibilities for projects and tasks to Committee members unless otherwise determined by the Committee;
 - 8. arrange for the orientation of new members, unless otherwise noted;
 - 9. ensure that the Committee maintains a legal and open level of communication;
 - 10. ensure that information is equally distributed to all members of the Committee.
- B. The Chair shall have the same rights as other members to offer and second motions and resolutions, to discuss questions, and to vote thereon. The Vice Chair shall act in the place of the Chair during their absence at Committee meetings. Should the Chair leave office, the Vice Chair shall assume the duties of Chair until the Committee elects a new Chair, at the next meeting where all a majority of remaining Committee members are present.

IX. MEETINGS OF THE COMMITTEE

- A. Regular Committee meetings are held prior to the Spring and Fall Town Meetings. The Committee shall not hold regular meetings on days which are designated legal holidays. The secretary of the Committee at the direction of the Chair is responsible for the posting of all Committee meetings in compliance with Open Meeting Law.
- B. Meetings called for any time other than the regular meetings shall be known as "special meetings". The same rules as those established for regular meetings shall apply unless an unforeseen emergency requires a special meeting to be scheduled on a legal holiday. Special meetings shall be called by the Chair, in consultation with the Town Administrator, and with the informal consent of a majority of Committee members.
- C. The Committee may conduct informal "working session" meetings from time to time. Such meetings will be posted in accordance with the Open Meeting Law. A synopsis of transactions of informal meetings shall be made a part of the record of meeting minutes.

X. MEETING PROCEDURES

- A. Committee meetings shall be conducted in accordance with generally accepted rules of parliamentary procedure and the Open Meeting Law. It is the practice that application of said procedure may be on a relatively informal basis.
- B. A quorum shall consist of a majority of the members of the Committee, usually 5 persons. As a practical courtesy, action on critical or controversial matters, the adoption of policy, or appointments shall be taken, whenever practicable, with the full Committee in attendance. Actions and decisions shall be by motion, second, and vote. Split votes will be identified by name in the meeting minutes. The Town Administrator shall designate a town employee to take the minutes of all Finance Committee Meetings to be subsequently reviewed by the Committee and made available to the public in accordance with the Public Records Law.
- C. The Town Administrator is expected to be in attendance at all meetings of the Committee. The Town Administrator shall attend to keep the Committee informed and advised, and to recommend in all matters that fall within the jurisdiction of their office. They shall carry out the actions of the Committee as they relate to budgetary and financial inquiries that arise in the Committee's consideration of Warrant Articles and Town operations. Should the Town Administrator be unable to attend a meeting of the Committee, they shall ~~delegate~~ designate another individual for the purpose of assisting the Committee with administrative matters during such meeting.

XI. AGENDA PROCEDURES

- A. The Chair shall have the authority in the determination of the meeting agenda, ~~in coordination with the Town Administrator~~. In order for items to be considered for the agenda, they must be submitted to the Town Administrator by 5:00 p.m. on the Friday of the week preceding the meeting. Items added to the agenda after this time will be considered out of necessity or due to being routine in nature. Agenda items shall be:
1. Call to order
 2. Chair's Announcements
 3. Town Administrator's Update
 4. Scheduled Hearings (as required)
 5. Scheduled Business (as required)
 6. Acceptance of meeting minutes (as required)
 7. Adjournment
- B. The order of the above listed items may be changed at the discretion of the Chair. Each agenda item shall state the action anticipated of the Committee, as appropriate.
- C. Members of the Committee, staff, the Town Administrator or others who prepare background materials for the meeting should have such material available for Committee members a minimum of 48 hours prior to the meeting start time. The agenda materials so provided to the Finance Committee will be posted on the Town website for public access by noon the day of the meeting. If background information is insufficient or complicated, or if complex memos or motions are presented at the meeting which were not included in the Committee's meeting packet, any Committee member may request that the relevant item be tabled to allow Committee members time for careful study of the material.
- D. The agenda for regularly scheduled meetings shall be available to the public and the press at the Town Clerk's Office by 5:00 pm on the Monday prior to the meeting. Completed meeting packets shall be made available electronically and can be requested by the Committee secretary after 5:00 pm on the Monday preceding the regular Committee Meeting.
- E. The core materials contained within the agenda packet shall be posted to the Finance Committee's page on the Town's website by 4:00pm on the day of the Finance Committee's meeting.

XII. MEETING MINUTES

- A. The Town Administrator shall ensure that open meetings of the Committee are recorded electronically. The Town Administrator shall ensure that the Committee secretary has drafted written minutes and made them available to Committee members in a timely manner.

- B. Minutes circulated to members of the Committee on or before the agenda is set for the subsequent meeting shall be considered at that meeting. Changes in the text of minutes shall be reviewed and agreed upon by a majority of voting Committee members. Minutes shall contain a full statement of all items discussed and actions taken by the Committee and of the disposition of all proposals for action. Approved minutes shall be recorded in a Minutes Book and shall be open for public inspection.

XIII. COMMITTEE APPOINTMENTS

- A. The Finance Committee appoints liaisons and representatives to interface with others.
 - 1. **Liaisons** review minutes from other boards/committees and attend their meetings on occasion. They report to the Finance Committee as needed. Liaisons do not have a voice or vote in the activities of the other boards/committees. The Community Preservation Committee is one group that usually has a Finance Committee liaison.
 - 2. **Representatives** are full voting members of the board or committee to which they are appointed. The Capital Planning Committee is one group that requires a Finance Committee representative.
- B. The Committee shall endeavor to make its annual **Committee** appointments in June. Appointments made in June shall have terms beginning on July 1 and expiring on June 30. In addition, as the need arises, the Committee may make appointments throughout the year for terms to take immediate effect, with expiration dates of June 30, or consistent with the seat being filled. Terms shall not exceed three years, unless specifically allowed by MGLA. Committee members shall be able to serve consecutive or non-consecutive three years terms with no limit.

XIV. RELATIONS WITH RESIDENTS

- A. In recognizing that it is accountable to the residents of the Town, it is the policy of the Committee to make every effort to strengthen communications with residents. The Committee will act to increase resident participation, encourage citizen input into government decisions, and to keep residents informed of all actions contemplated or taken by the Committee which will affect them. To this end, at every Committee meeting, the public will be allowed to ask questions or make statements relative to the matter under consideration at the discretion of the Chair. The Town Administrator and Chair will ensure that all residents' questions concerning Warrant Articles are answered promptly.

XV. TOWN MEETINGS

- A. The Finance Committee's primary responsibility is advisory. It closely examines all ~~warrant article~~**Warrant Articles**, including the annual budget, that will be

presented to Town Meeting and makes recommendations to the voters on the course of action that the town should follow. Advice the Finance Committee provides to Town Meeting is as follows:

1. Every Town Meeting is called by posting a ~~warrant~~ Warrant that contains separate articles for the business that is to be conducted. The Finance Committee makes a recommendation on every ~~warrant article~~ Warrant Article. The recommendation must address any fiscal aspects and generally includes the reasons for the recommendation. The Finance Committee can recommend:
 - a) to approve an article;
 - b) to not approve an article;
 - c) to approve an article with an amendment (for example, to appropriate a different amount of funds than requested by the sponsor of an article); or
 - d) to take no action.
2. For every expenditure that the Finance Committee recommends, the Finance Committee must also recommend a method of funding. For every article involving an expenditure, a motion will be made at Town Meeting to:
 - a) *raise and appropriate* (to fund through taxes and state aid);
 - b) *to appropriate and transfer from available funds* (most often free cash);
 - c) *to appropriate and transfer from the stabilization fund*; or
 - d) *to appropriate and borrow a sum of money*.

Traditionally the Moderator has offered the Finance Committee the right to make the first motion on all the articles in the Warrant.

B. Preparation of Recommendations

1. The Finance Committee is the only body in town that objectively considers the overall financial picture for all residents of the town. In making recommendations, the Finance Committee takes the following course of action:
 - a) Gather input via public hearings at budget reviews at Finance Committee meetings. Attending selected meetings of other boards and reviewing meeting minutes is also recommended. The Finance Committee is empowered to require the Town Administrator, the Finance Director, the School Committee or any other town agency to furnish it with any information that it deems necessary in making recommendations on articles.
 - b) Determine the cost to the town (if any) of each ~~article~~ Article. Most

often this is an amount to be appropriated, but there may be future costs or streams of income not reflected in the immediate appropriation. The Committee reviews the source of funding (property taxes, stored assets, state grants, etc.), the total amount, and, in the case of property taxes, the effect on individual tax bills. Because most Millis residences are single-family homes, the Finance Committee has traditionally estimated the impact to the average single-family residential tax.

- c) Weigh the cost against the benefit that these funds will bring. The Finance Committee should also consider whether the ~~article~~Article, regardless of ~~the-its~~ financial consequences, is considered to be beneficial to the town.
 - d) Where feasible, examine alternatives to proposed funding sources.
 - e) Consider the overall financial picture in terms of:
 - (1) Any resulting overall tax increases
 - (2) Impact to free cash and stabilization fund
 - (3) Need for Proposition 2½ override
 - (4) Effect on the overall debt schedule
 - (5) Long-term consequences and sustainability of proposed expenditures.
2. When these considerations have been made (through debates at public meetings), the Finance Committee must vote its recommendations on each ~~article~~Article, which will then be printed in the Finance Committee's report sent out to each Millis ~~resident~~residence prior to Town Meeting.

C. Format of the Recommendations

1. According to the ~~by~~By-laws, the Finance Committee must "make a written report of its findings and its recommendations" on all the ~~articles~~Articles in the warrant for each Town Meeting. Typically, this report from the Finance Committee is provided with each warrant that is mailed to every Millis residence at least fourteen (14) days prior to the meeting to give the voters the most possible time to study the report. The Chair writes a Finance Committee Report Introduction that is included in the warrant for the Annual Town Meeting.
2. The Finance Committee report typically includes:
 - a) Cover page with the date, time and location of the Town Meeting
 - b) Table of Contents with any notes from the Moderator
 - c) Introduction written by the Chair, including the following:
 - (1) an overview of the town's financial status
 - (2) overview of the town's debt schedules

- (3) estimates of free cash available
 - (4) an accounting of the reserve fund for the previous fiscal year
 - (5) listing of all the members of the Finance Committee
 - d) Description of Articles and Finance Committee recommendations written by individual Finance Committee members
 - e) A full copy of the Warrant
 - f) A copy of the proposed Annual Budget (for Spring Town Meetings)
 - g) A copy of any proposed changes to the Town's Personnel Plan
 - h) Capital Planning Committee Report
 - i) Millis Municipal Finance/Budget Glossary
3. Where it is not possible to include all recommendations in the ~~warrant~~ Warrant because the information needed to make a decision is not available when the ~~warrant~~ Warrant goes to print, the Committee can provide recommendations other than what is printed in the report by providing a handout at Town Meeting.
4. If the sponsor of an ~~article~~ Article wants to make a motion that differs from that printed in the ~~warrant~~ Warrant (for example, a different monetary amount), a written recommendation to the ~~article~~ Article as printed in the ~~warrant~~ Warrant is required to be included in the Finance Committee Report even though what is actually voted on at Town Meeting may differ.

D. Finance Committee Duties at Town Meeting

1. It is expected that all members of the Finance Committee attend Town Meeting to the extent possible to provide information for each article. The Millis Finance Committee's role at Town Meeting is to:
- a) Present an overview of the Warrant, given by the Chair in the form of a presentation near the beginning of Town Meeting. In recent years it has consisted of a big picture overview similar to the report in the ~~warrant~~ Warrant and providing context to the financial picture of the town before getting into details of the individual articles.
 - b) Make recommendations on each ~~article~~ Article. As each ~~article~~ Article is discussed, a member of the Finance Committee ~~verbally-orally~~ makes a recommendation ~~on such~~. With the Moderator's permission the Finance Committee may also give presentations on ~~articles~~ Articles that merit in-depth discussion.
 - c) Should three (3) or more members of the Finance Committee dissent from the majority-voted recommendation on a Warrant Article, the group may present a "Minority Report" at Town Meeting explaining their dissent from the majority and presenting their recommendation to Town Meeting. For less than three dissenting members, such members may present their opposition to the Finance Committee's recommendation from the floor of Town Meeting as an individual

Town Meeting member in the time allocated for discussion of the article by the Moderator.

- d) Provide any additional information that the Moderator deems appropriate. This is often done in response to a participant's request or question.
 - e) Balance the budget. After the conclusion of all business the budget must be balanced or the state will not certify the results of Town Meeting. The Finance Committee must ensure that during the course of Town Meeting:
 - (1) The Town does not raise and appropriate more than maximum allowable under Proposition 2½ without an override election.
 - (2) The Town does not appropriate and transfer from available funds (for example, free cash) more funds than it has available.
2. Once an article has been voted on, that ~~article~~ Article can be reconsidered only within Town Meeting. If at the end of Town Meeting the budget does not balance, it may be desirable to reconsider some ~~articles~~ Articles. If this situation is likely to arise, the Finance Committee should select some ~~articles~~ Articles and announce the intent to reconsider them at the time Town Meeting takes up the ~~article~~ Article to balance the budget.

XVI. RELATIONS WITH OTHER TOWN COMMITTEES AND COMMITTEES

- A. The Committee is aware that coordination and cooperation ~~is~~ are needed among the Town's major boards, committees, and commissions to set town-wide goals and priorities; identify and anticipate major problems; ~~;~~ ; work together toward their resolution; and develop a process for dealing with the state and federal government. In particular, it is the desire of the Committee to continue with at least 2 joint meetings with the School Committee and Select Board per year ("Tri-Board") to foster cooperation, efficiency and enhance communication between the three groups prior to each Town Meeting.
- B. The Town Administrator is responsible for inter-committee communications with the Tri-Board members in operations of government. The Town Administrator shall develop a process for the exchange of information and the provision of advice and recommendations among the boards, committees, and commissions with common interest.