

FINANCIAL MANAGEMENT SERVICES

FINANCE COMMITTEE

During 2006, the Finance Committee (FinCom) was chaired by Allan Tosti and assisted by vice-chairs Richard C. Fanning, Alan Jones, and Charles T. Fokkett. Peter B. Howard served as secretary. The FinCom has twenty-one positions, one for each precinct. The appointing authority (Moderator, Trust Fund Commissioners Chair, FinCom Chair) acted to reappoint all members whose terms had been completed and to fill vacant positions.

In January, the FinCom began its yearly effort to develop a comprehensive balanced budget recommendation for the Annual Town Meeting which begins in April. The budget of each department was reviewed with the department head by one of the subcommittees. The school budget subcommittee attended School Committee meetings in order to gain an understanding of the school budget. Hearings were held on all warrant articles which required an appropriation or had a financial impact. Twenty-six full committee meetings were held which, when combined with numerous subcommittee meetings, made for a busy winter schedule.

The FinCom's report was distributed at the third session of the Annual Town Meeting. In addition to recommending a budget for each department, the report recommended a vote on twenty-three articles. As in previous years, this year's report contained additional information of interest to Town Meeting members including a report from the Comptroller on funds related to the solid waste collection program, trash disposal and recycling information, and the five-year budget plan.

Although the improving economy allowed the State to increase state aid to Arlington, the reductions in state aid that had been made during the recession were not completely restored. Funds from the override passed in 2005, however, were used to maintain services to the residents. In addition, as called for in the five-year plan, some of the override money was set aside to be used in the last two years of the five-year plan.

The Finance Committee also continued to monitor other ongoing activities that could have a large financial impact. The FinCom followed the progress of the school renovation projects, the Peirce Field cleanup, and the Symmes project through regular reports by the responsible Town officials. Both the Town Manager and the Superintendent of Schools provided budget description documents which we hope will satisfy the request of some Town Meeting members for more descriptive material.

Although the five-year plan funded largely by the \$6 million override is a big step toward stabilizing the Town's finances, issues remain. One issue is the level of State aid. The five-year plan assumes that state aid will gradually be restored to pre-recession level. This will require continuous effort by our legislative delegation.

Other ongoing issues include funding for the final round of school renovations, the renovation of the Town's fire stations, the increasing costs of health insurance and pensions, and funding the liability for future health insurance for retired employees. The Finance Committee will continue to work with the Town to deal with these issues and will keep the Town Meeting informed.