



Hingham Advisory Committee Handbook

*** v 2.0 ***

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1.0 Revision History

Version Number	Date	Revised by	Updates and changes since last version
1.0	Oct 27, 2010	Asher	Previous drafts incorporated into final version 1.0
2.0	Jul 20, 2011	Asher	Advisory Committee Workflow re-wording, FY13 schedule, and updated committee roster

2.0 Document Objectives

The purpose of this *Hingham Advisory Committee Handbook* is to assemble in one document the relevant By-Law, rules, policies, and workflow which govern the activities of each Hingham Advisory Committee appointee during the course of his/her term(s) in office.

The *Handbook* should enable new members to become productive more quickly, while providing experienced members a convenient, 'one-stop' reference to ensure consistent, high-quality performance in their role as a 'proxy' for the legislative body of the Town—Town Meeting.

Should the *Handbook* meet these expectations, it is hoped that future Committee officers will modify/enhance it to address the inevitable changes in Town organizational structures, policies, and processes which will occur during Hingham's next 375 years.

3.0 Governing By-Law

3.1 ARTICLE 14, PART 1 – ADVISORY COMMITTEE

PART 1

ADVISORY COMMITTEE

SECTION 1 - There shall be an advisory committee, which shall perform the duties set forth in the following sections of this Article and be governed by the provisions thereof. Said committee shall consist of fifteen citizens of the town, and shall be appointed as provided in the following section. No person holding an elective or appointive town office shall be eligible to serve on said committee.

SECTION 2 - Prior to the commencement of each fiscal year, the moderator shall appoint five members of said committee, each to serve a term of three (3) years, commencing on the first day of the fiscal year next following the appointment; provided, however, that any incumbent members, whose term would otherwise expire at an annual town meeting, in accordance with the provisions of this section in effect at the time of such member's appointment, shall serve through June 30th of the year in which the term expires. The committee shall choose its own officers, and shall serve without pay, excepting, however, the secretary, whose compensation shall be fixed by the committee. The committee shall cause to be kept a true record of its proceedings.

SECTION 3 - There shall be referred to and considered by the Advisory committee all articles in any town meeting warrant. A public hearing may be held upon any article, and a notice of such hearing shall be given either by advertising the same in a newspaper published in the town, or by posting a copy thereof in at least six public places in the town five days at least before said hearing. The committee shall report to the town meeting, in print or otherwise, such recommendations on each article as it deems best for the interests of the town.

SECTION 4 - The advisory committee shall consider the budget proposed for the town for the ensuing fiscal year by the Board of Selectmen. Such budget shall show in detail all estimated income from the proposed tax levy and other sources and all proposed expenditures, including debt service, for the ensuing fiscal year, and shall be arranged to show the actual and estimated income and expenditures for the previous, current and ensuing fiscal years. The advisory committee shall, after considering such proposed budget, establish the amounts which should, in its opinion, be appropriated for the ensuing fiscal year, shall add thereto such explanations and suggestions as it deems expedient, and shall report thereon as provided in Section 3.

SECTION 5 - Whenever any vacancy shall occur in the committee it shall be filled by the moderator. If any member is absent from five consecutive meetings of the committee, for other cause than illness, his position shall be deemed vacant and the committee shall report such vacancy to the moderator, who shall proceed to fill the same. Any person chosen to fill a vacancy in the committee shall hold office for the unexpired term of the person whom he succeeds.

SECTION 6 - The committee shall make an annual report of its doings, with recommendations relative to financial matters and such other matters at it deems expedient, to be printed with the annual reports of the town officers.

3.2 ARTICLE 14, PART 2 – CAPITAL OUTLAY COMMITTEE

PART 2

CAPITAL OUTLAY COMMITTEE

SECTION 1 - There shall be a Capital Outlay Committee (Committee), which shall perform the duties set forth in the following sections of this Article 14 and be governed by the provisions hereof. Said Committee shall consist of five citizens of the Town, appointed as provided in the following sections, and the Town Accountant ex-officio.

SECTION 2 - The moderator shall appoint three members of said Committee. Prior to the commencement of each fiscal year, the moderator shall appoint one member to said Committee to serve a term of three years, commencing on the first day of the fiscal year next following the appointment.

SECTION 3 - The Chairman of the Advisory Committee, at or about the commencement of each fiscal year, shall appoint, from among the members of the Advisory Committee, two members of said Committee to serve a term of one year, beginning on the first day of said fiscal year.

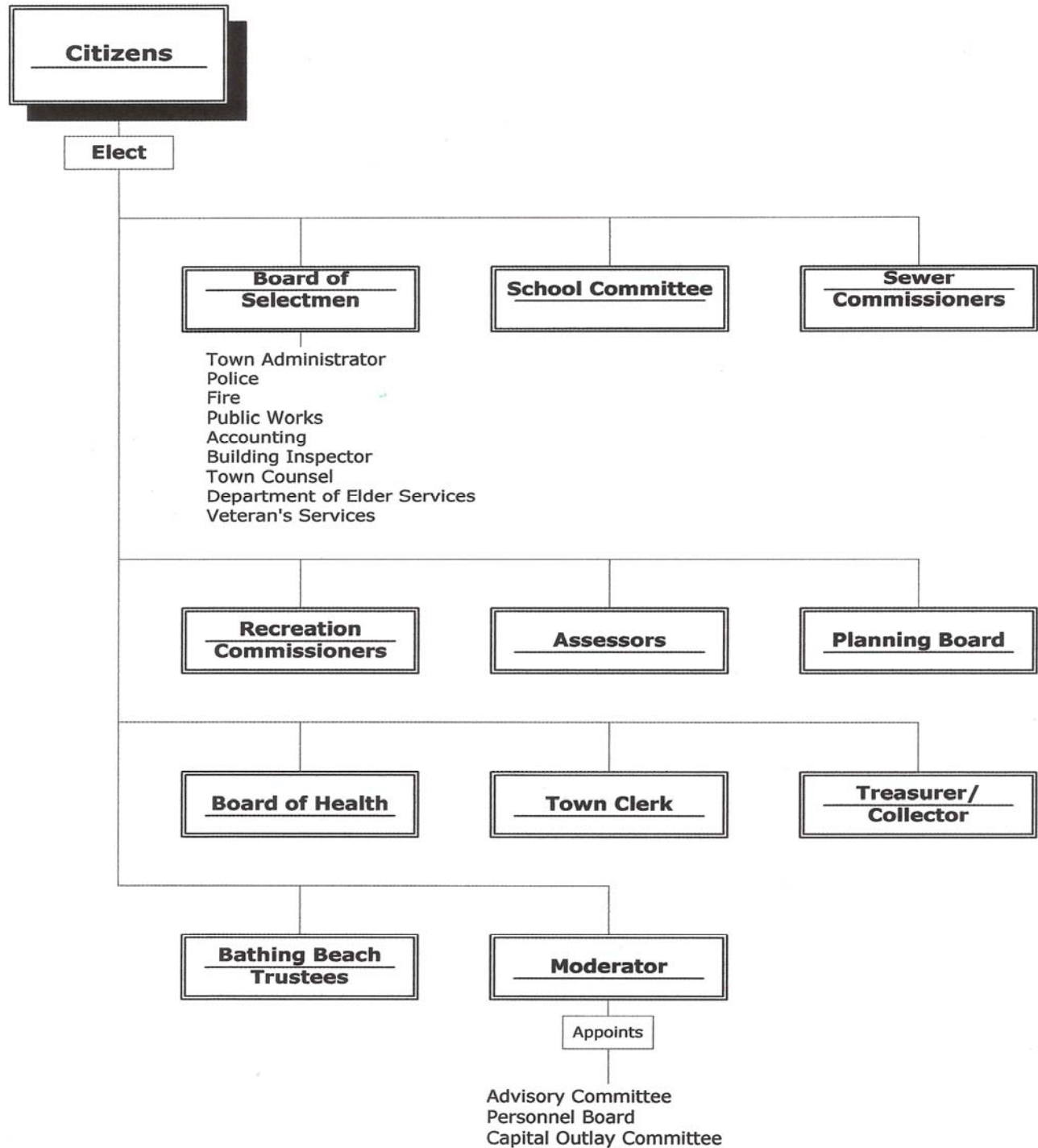
SECTION 4 - Whenever any vacancy shall occur in the Committee, it shall be filled by the appointing authority which appointed the member whose position shall have become vacant. Any person appointed to fill a vacancy in the Committee shall hold office for the unexpired term of the person whom he or she succeeds.

SECTION 5 - The Town Accountant, as an ex-officio member of the Committee, shall not be entitled to vote on the making of recommendations to be included in its reports. The Committee shall choose its own officers and shall serve without compensation.

SECTION 6 - It shall be the duty of the Committee to ascertain annually what capital outlays will be required by the Town during the next five years. In making this determination, it may consult with Town, county, and state officials, and with other boards and committees of the Town. It shall publish and distribute to each voter an annual report and such further reports as it deems advisable, and shall include in such reports its recommendation for scheduling capital outlays and for the financing of such outlays as in its judgment cannot be, or should not be, paid for entirely out of current revenues..

4.0 Town Government Organization

The Town of Hingham Organizational Chart



5.0 Advisory Committee Rules

PREAMBLE

The Advisory Committee (the "Committee") is a deliberative body chartered by the Town of Hingham By-law to consider all articles in any Town Meeting Warrant and to make recommendations on each article as it deems to be in the best interest of the Town. Committee members act as liaisons to certain Town departments as well as elected and appointed committees and boards. Committee members are responsible for the initial review of all Town budgets prior to budget presentations to the full Committee. The Committee conducts its business in open public meetings, the purposes of which include, but are not limited to: (i) eliciting input and information from proponents and opponents of an article; (ii) eliciting input and information from members of the general public; and (iii) providing a forum for the exchange of views by Committee members, with the goal of arriving at a recommendation to Town Meeting by majority vote.

Recognizing its unique role in the public debate of the issues before the Town and ultimately before Town Meeting, the Committee believes that members should consider issues with an open mind. In addition, Committee members should treat each other and everyone appearing before the Committee fairly and with respect. The following policies and procedures should be read in the context of the role of the Committee.

POLICIES AND PROCEDURES

1. Members shall abide by Massachusetts Conflict of Interest Law (M.G.L. c. 268A), as applicable.
2. The Committee will consider all articles in any Town Meeting Warrant. A public hearing may be held upon any article, and a legally posted notice of such hearing shall be given at least five days before said hearing. The Committee will report to Town Meeting, in print or otherwise, such recommendations on each article as it deems to be in the best interests of the Town. The Committee shall consider the budget proposed for the Town by the Board of Selectmen for the ensuing fiscal year, and shall, after considering such proposed budget, recommend the amounts which should, in its opinion, be appropriated for the ensuing fiscal year. The Committee shall add to this recommendation such explanations and suggestions as it deems appropriate, and shall report to Town Meeting as provided herein for Warrant Articles. The Committee may consider any or all municipal questions for the purpose of making reports or recommendations to the Town and may issue recommendations on referenda and other matters on any ballot, other than the choices of individuals for offices. The Committee shall make an annual report to the Town of its doings, with recommendations relative to financial matters and such other matters as it deems appropriate.
3. No person holding elective or appointive Town office, including membership on a Town board or committee, will be eligible to serve on the Committee. Any member of the Committee who is appointed or elected to Town office, including membership on a Town board or committee, other than a member appointed to the Capital Outlay Committee by the Chair of the Advisory Committee, will cease to be a member of the

Committee upon the election or appointment to such office, board, or committee. Any member who is no longer a legal resident of the Town will cease to be a member of the Committee. The Chair will report any such vacancy to the Moderator, who will fill the vacancy.

4. All members are expected to attend all regular and special meetings of the Committee and of the sub-committees of which they are members. If any member is absent from five consecutive meetings of the full Committee for any cause other than illness, the position may be deemed vacant and the Chair will report such vacancy to the Moderator, who will fill the vacancy. Any person chosen to fill a vacancy on the Committee will hold office for the unexpired term of the person succeeded.
5. The Committee will annually, at its first meeting after the Annual Town Meeting, or as soon thereafter as practicable, elect a Chair, a Vice-Chair and a Secretary, each of whom will, subject to the prior termination of his or her appointment or to his or her resignation, hold office until a successor is elected. The Chair, Vice-Chair or Secretary, in that order, will have the duty to call and preside at the organizational meeting. In the event that none of said officers is any longer a member of the Committee, the Moderator will designate a member to call and preside at the organizational meeting.
6. The Chair will appoint all sub-committees and will designate a chair of each sub-committee. The chair of each sub-committee will be responsible to the full Committee for the prompt and full performance of the sub-committee's duties. As soon as practicable after the annual organization of the Committee and the making of new sub-committee assignments, each sub-committee will meet with the department, board, or committee head concerned, to familiarize itself fully with the organization and the function of the department, board, or committee, its plans and requirements. Upon receipt of any Warrant article proposal, or request for an appropriation, transfer, or other action, the sub-committee will, at the earliest opportunity, review the matter with the department, board, or committee head concerned, secure such outside advice and make such independent investigation as it deems reasonably necessary, and thereupon report its recommendations to the full Committee with its reasons therefor.
7. No member of the Committee shall engage in any public advocacy for or against an issue scheduled or reasonably likely to come before the Committee for deliberation, prior to a vote by the Committee. Examples of public advocacy include, but are not limited to, letters to the editor or other submissions to print or electronic media, blogs, mass e-mails, as well as appearances on television, cable, or internet transmissions. A Committee member wishing to make a public comment on such an issue should seek the advice of the Chair or the Moderator for help in the interpretation of this policy, it being the intent of this policy to preserve and protect the reputation of the Committee as an open-minded advisory body to the citizens of the Town.
8. Meetings of the Advisory Committee will be conducted as follows:
 - a) The meeting must be posted in accordance with Massachusetts Open Meeting Law and with applicable Town By-Laws as from time to time in effect. Meeting dates and times are fixed as needed by the Chair or, in the case of the Chair's absence or illness, the Vice-Chair, and are usually held at Town Hall. At the appointed time and place, assuming a quorum is present, the Chair shall call the meeting to order. Eight

members shall constitute a quorum of the Committee for the transaction of business, but a lesser number may adjourn any meeting of the Committee.

b) The Chair should be fair in appearance as well as in fact. The primary role of the Chair is to ensure that all opinions are voiced, and that the meeting is conducted in an orderly manner. As a matter of custom, the Chair does not vote except to cause a tie (in which case, the motion fails) or to break a tie.

c) The Secretary or acting Secretary will maintain accurate records of the meeting, setting forth the date, time, and place, members present, and action taken at each meeting, including executive sessions. Draft minutes may be made available to Committee members for preliminary review prior to the time of the next meeting. The minutes shall be read and revised, if appropriate, and then accepted by vote of the majority of the Committee present and voting.

d) Meeting agendas shall be arranged by the Chair or acting Chair, as the case may be, who shall make reasonable efforts to publicize the agenda prior to the meeting in question. A motion to change the order of business is in order at the beginning of a meeting or after the completion of an item and before another item is taken up. When there is no more new business, or when the hour is late, the Chair should request a motion to adjourn, which is acted upon as any other motion.

e) A motion is made by any member saying, "I move....." The seconding by another member indicates that the motion is worthy of consideration; it does not suggest approval of the motion. After a reasonable opportunity for discussion, the Chair should ask, "Are you ready to vote?", and "All in favor say Aye", and "All opposed say Nay". If the Chair is in doubt as to the result of the voice vote or if any member requests, a vote by a show of hands should be taken.

f) The initial motion proposes an action (or no action) on a matter; it is the main motion. A proposal to change the main motion is made by a motion to amend (a primary amendment). The amendment will be voted on first, and then the main motion (as it may have been amended) will be voted on.

g) The Chair has the ultimate authority to determine who will be allowed to speak at any meeting. Generally, the member proposing a motion should be invited to speak first. The Chair next should recognize other members wishing to speak. Then Town officials and department heads present should be invited to speak (or ask questions), and finally citizens and members of the press or other media should be recognized to speak. All statements and questions should be relevant to the motion, impersonal and reasonable in length.

h) All votes of the Committee will be by a simple majority of the members present and voting. No member may vote except in person. Any member voting on the side that does not prevail will, on request, be recorded as being opposed to the vote of the Committee. A member not present when a vote is taken may ask to be recorded in opposition to the vote of the Committee at the next meeting where the Member is present. Otherwise, a member may not thereafter be recorded in opposition to the vote except on a subsequent vote on the matter upon reconsideration thereof.

- i) Reconsideration of a matter requires that a motion for reconsideration be made and seconded by members who voted on the side that prevailed on the last vote taken on the matter. The members present and voting must then pass the motion by a majority vote. If the last vote taken on the matter was a voice vote, a motion for reconsideration may be made and seconded by any member.
9. No member not duly recorded in opposition will publicly oppose the Committee's recommendation on any particular matter nor will the member speak in opposition thereto at Town Meeting, either as a member of the Committee or as an individual. A member duly recorded in opposition may—either personally or through another member similarly recorded—address the Town Meeting and give his or her reasons for such opposition. A member recorded in opposition may, at any time, have such record stricken.
 10. Although the Committee may vote to request the insertion of an article in the Warrant for an Annual or Special Town Meeting, no member of the Committee, unless acting as a member and on behalf of the Capital Outlay Committee, will act as a sponsor or proponent of any other article.
 11. A call for a ballot vote by the Committee at Town Meeting, pursuant to Article III, Section 8, of the By-Laws of the Town, will be made only by that member of the Committee designated to make such calls by a prior vote of the Committee authorizing and directing that such calls be made, or by the Chair if no member is so designated.
 12. All meetings of the full Committee will be open to the public except when the Committee, on motion duly made and seconded, votes to go into executive session. Executive sessions will be held only on those matters which, if made public, might adversely affect the public security, the financial interest of the Town, or the reputation of any person, (M.G.L., c.39 s.23B). Any member who wishes to move for an executive session shall discuss the matter with the Chair in advance. No member will disclose any information revealed in executive session, except that the Chair may, at his or her discretion, provide a statement to the public after the executive session.
 13. No person will address a public meeting of the Committee without permission of the Chair, and all persons will, at the request of the Chair, be silent. If, after warning from the Chair, a person persists in disorderly behavior, the Chair may order him or her to withdraw from the meeting and, if that person does not withdraw, may order a constable or any other person to remove the disorderly person and confine him or her in some convenient place until the meeting is adjourned, (M.G.L., c.39, s.23C).
 14. Any background information, statistics, supporting data, etc., necessary for the Committee's consideration on articles in the Warrant must be submitted to the Committee by the proponents at least a week before the scheduled hearing. Otherwise, discussion and subsequent vote may be delayed to a future date.
 15. These policies and procedures will be reviewed and adopted each year and will not be waived, rescinded, modified or amended except by majority vote of the Committee after a minimum of seven days' notice in writing of the proposed waiver, revision, modification or amendment given to all Committee members. These policies and procedures should be distributed at the first meeting of the Committee each fiscal year.

16. Questions or concerns that cannot be resolved by reference to the foregoing policies and procedures shall be resolved by majority vote of the Committee.
17. If it appears that a Committee member may have violated any of the policies and procedures outlined herein, three members of the Committee or the Chair may request a vote to enter into an executive session for the purpose of discussing the alleged violation. The Committee, in executive session (if an executive session is appropriate), will hear from the member who is alleged to have violated the policies and procedures and shall deliberate regarding the same. The Committee, by a two-thirds vote, may impose a sanction or sanctions on a member found to be in breach of these policies and procedures including, but not limited to, a reprimand of the member or disqualification of the member from discussion and votes on specific issues.

Voted December 8, 2009

6.0 Town of Hingham Financial Policy

TOWN OF HINGHAM FINANCIAL POLICY

General Comment: Where percentages are used to suggest policies for levels of expenditure, only two uniform common denominators will be used throughout this Policy document: Total Annual Expenditures when used in relation to Fund Balance and Debt; and Operating Budget everywhere else. These terms are defined in the body of the Policy.

The purpose of this Financial Policy is to stabilize tax rates, control expenditures, and minimize the possibility of significant changes to Town services from year to year. The Policy includes guidelines which are intended to be used by the Board of Selectmen and other executive bodies in preparing budgets, by the Advisory Committee in reviewing and recommending budgets, and by Town Meeting in evaluating and approving budgets. The Financial Policy applies to three principal areas of Town finance: financial management, capital outlay, and debt service.

FINANCIAL MANAGEMENT

1. The Financial Policy assumes there is a sound financial control system based on budgeting, monthly financial reporting, and independent verification of the reporting. All financial transactions of the Town should be recorded in the general ledger under the control of the Finance Director/Town Accountant. All balances in the general ledger should be closed into Available Reserves of the General Fund at year's end unless encumbered or specifically required to be continued. Annual financial statements should be prepared in accordance with generally accepted accounting principles. Independent accountants should audit the financial statements and issue recommendations to improve financial procedures and internal controls. The Town's Audit Committee shall review the work of the independent accountants' periodic audits, and report annually to the Town on its findings.
2. Financial forecasts estimate the Town's revenues and expenditures in the current and ensuing five fiscal years. Forecasts are inherently imprecise and, therefore, should be updated regularly throughout the budgeting process as new information becomes available. The forecasts prepared by the Finance Director/Town Accountant for the annual budget process begin with a preliminary forecast, which is used to make tentative decisions on budget instructions, borrowing expectations, and capital expenditures. Periodic and final forecasts, which are the basis for the Advisory Committee's budget recommendations, should be made available to interested parties on request.
3. For the purposes of this Financial Policy, Total Annual Expenditures is defined as the sum of Warrant Articles 4, 5, and 6; the Operating Budget is defined as Total Annual Expenditures, less benefits, debt service, and parts of the budget which are financed by user fees (e.g., the Sewer Department and the South Shore Country Club).

4. The Operating Budget incorporates: a) an implicit definition of recommended activities and service levels; b) personnel costs at contracted or expected compensation levels; and, c) estimated non-personnel costs, miscellaneous expenses, and those capital expenses that are not funded by borrowing. The Operating Budget takes into account prior experience, changing operating conditions, and general inflation expectations.
5. A Reserve Fund of approximately 0.75% of the Operating Budget should be budgeted annually to provide for extraordinary or unforeseen expenditures that could not have been anticipated before Town Meeting, and/or to allow immediate expenditures of funds in the event of an emergency. A Reserve Fund Transfer request should not be used to reverse a vote of Town Meeting or as a “backdoor” means of increasing the budget.
6. Fund Balance, also known as Available Reserves or Available Funds, is the accumulation of each year’s actual surpluses and deficits. For purposes of this Financial Policy, Fund Balance refers to unrestricted amounts that can be appropriated and/or spent—primarily unassigned funds within the Town’s General Fund. Fund Balance also includes funds designated for subsequent expenditure, but unspent as of the close of the fiscal year, as well as funds designated for continued appropriations. Adequate Fund Balance provides debt holders with assurance, improves the Town’s bond rating, and can be used to minimize undesirable service-level reductions if the Town experiences unanticipated revenue reductions or expense increases. Fund Balance also can provide an alternative to tax increases or debt issuance for funding the Town’s non-recurring needs under extraordinary circumstances. The Town should strive to maintain a Fund Balance at a level of no less than 14% and no more than 18% of Total Annual Expenditures.
7. Long-term financial obligations and liabilities (contributory retirement, other post-employment benefits, and other such obligations as the Town might incur from time to time) must be funded, at a minimum, as required by law, and also should be funded so as not to burden future generations with unsustainable or disproportionate financial obligations.
8. From time to time, the Town experiences growth in its tax base that can provide increases to annual tax revenues. Since such ‘new growth’ is cyclical in nature and may slow down or stop as suddenly as it appears, the Town should be cautious in incorporating long-term growth assumptions into its financial forecasts and consequent expenditure growth.
9. New spending initiatives, departmental reorganizations, By-Law amendments, property purchases, gifts, and grants can have significant long-term impact on tax receipts and operating costs that may not be immediately apparent. Reasonable efforts should be made to identify such long-term costs for incorporation into future capital improvement plans and operating budgets.
10. Excise taxes, building permit fees and other non-recurring revenues are significant components of Local Receipts. As a rule, such revenues should go to the General Fund, unless Town Meeting decides to dedicate specific revenues to revolving funds or enterprise funds, or unless such revenues are required by statute to be dedicated to specific departmental use(s). As with revenue from new growth, fees and other non-recurring revenues may be cyclical in nature, and the Town should exercise the same

caution in incorporating related long-term revenue assumptions into future financial forecasts.

CAPITAL OUTLAY

1. The capital assets of the Town comprise the Town's physical infrastructure, inherited from previous generations and intended to be passed on to future generations. It is the aggregate property, plant, and equipment used by the Town. It includes the roads we use, the harbor which must be dredged periodically, the buildings and equipment needed by our Town staff, and the landfill which must be safely closed. We are the current caretakers. It is our responsibility to maintain, replace when necessary, and expand – as directed by Town Meeting - the Town's capital assets.
2. The Capital Outlay Committee, working in conjunction with the Municipal departments and the School Committee, is responsible for determining what capital assets will be required, and for recommending a five-year schedule of capital expenditures and the financing required. Capital assets, for purposes of this Policy, have a useful economic life of more than five years, and cost more than \$10,000, or are otherwise classified as fixed assets on the Town's financial statements.
3. The scheduled replacement of operating assets and a sound, ongoing maintenance program, require that the Town spend funds regularly to keep property and equipment in good operating condition. The absence of maintenance results in shortened life, unsafe conditions, and unexpected expenses. In times of fiscal restraint it is easy to defer regular capital investments, but this generally proves to be "penny wise and pound foolish."
4. The Five-Year Capital Plan prepared annually by the Capital Outlay Committee incorporates the purchase of major capital assets (which are sometimes financed by debt), the regular replacement of operating assets, and the attendant maintenance of all assets. When considering the acquisition of new or replacement capital assets, consideration should be given to the total cost of ownership during the asset's expected life (life-cycle cost).
5. The Capital Plan for any fiscal year, excluding expenditures financed by debt, should budget an expenditure amount equal to between 2% and 5% of the Town's Operating Budget for that fiscal year, except in extraordinary circumstances. Capital expenditures that are not financed by debt or by dedicated grants should be funded from recurring revenues, departmental revolving funds, user fees (e.g., Sewer Dept.), Enterprise Funds (e.g., SSCC), and the like, and not from Fund Balance.
6. The Capital Outlay Committee prepares the Five-Year Capital Plan in a timely manner each year so that both the Board of Selectmen and the Advisory Committee are able to incorporate it into their respective budget considerations, and the Town Finance Director is able to update the Town's Long-Term Debt Schedule as appropriate. Increased operating expenses (which may result from new building construction) or decreased operating expenses (which may result from energy-saving modifications to existing public buildings) should be identified by the Capital Outlay Committee for inclusion in the appropriate departmental Operating Budgets.

DEBT SERVICE

1. The Town Finance Director is responsible for managing the Town's debt and maintaining a Long-Term Debt Schedule.
2. Debt financing of major capital expenditures provides a smoothing effect on both the Town's annual expenditures and the associated tax levy. Prudent debt financing entails taxpayers paying for the use of capital assets over the timeframe during which those assets are in service, so that the taxpayers who enjoy the benefits also bear the costs. However, debt financing should be undertaken prudently, since it burdens future taxpayers by deferring, not avoiding, expenditures.
3. Debt should not be incurred for operating expenses. Debt should be reserved for the purchase of large, non-recurring capital items which have a life of five years or more, and the term of the debt should not exceed the life of the asset.
4. The objective of debt management is to borrow funds only when needed, and at the lowest possible cost. It is a corollary that good cash management—including the timely billing and collection of taxes—reduces the need for borrowing.
5. The Town's bond rating is a statement of the Town's overall financial health as a government and a community, and of the quality of the financial management of the Town. An excellent bond rating is desirable because it determines the cost of borrowing, the level of investor interest in the Town's bonds, and, in certain economic conditions, the ability to borrow at any cost. The Town's capacity to incur debt is determined, in part, by its ability and willingness to meet debt-service requirements without disrupting the scope and level of public services which are expected by the citizens of the Town. Therefore, the Town should strive to maintain the highest possible bond rating consistent with its ability to deliver the services expected by the citizens.
6. The decision to fund capital expenditures by current taxes, a Capital Exclusion (also current taxes), or debt, generally should be determined by the dollar amount and the life of the asset—a new building is a more likely candidate for long-term debt than is a new computer. Consideration also should be given to the overall increase in property taxes when a Capital Exclusion is proposed.
7. By statute, the Town may not issue, or have outstanding at any one time, debt exceeding 5% of the value of taxable property in the Town. Debt issued by the Light Plant, or other non-tax-supported unit, but guaranteed by the Town, is not legally included within this limitation but should be included for purposes of this Financial Policy. The Town should strive to maintain average annual debt service (repayment of principal and current interest) for borrowings at a level equal to approximately 5.0% of Total Annual Expenditures, and annual debt service should not exceed 7.5% of Total Annual Expenditures for any extended period of time.
8. The Report of the Advisory Committee to Town Meeting should describe the status of the Debt Service Program by comparison to the guidelines, and how the Five-Year Forecast will impact the Town's debt capacity and bond rating.

REVIEW

This Financial Policy is intended to be used, and, therefore, it must be flexible enough to accommodate changing social and economic conditions. It is appropriate for the Advisory Committee to review this Financial Policy in its entirety at least every three years, and, in consultation with the Board of Selectmen and the School Committee, make adjustments as required.

ADVISORY COMMITTEE, June 22, 2010

Jerry K. Seelen, Chair
Daniel J. Dwyer
Amy W. Farrell
Karen A. Johnson
Laura E. Marwill

John F. Manning, Vice-Chair
Elizabeth A. Eldredge
Dennis C. Friedman
Irma H. Lauter
Andrew P. Mooradian

Jonathan R. Asher, Secretary
David H. Ellison
Richard J. Innis
Gregory M. MacCune
Mary Jane O'Meara

7.0 Advisory Committee Workflow

The Advisory Committee is established by *Article 14* of the Town's *General By-Laws* in accordance with *MGL c.39 Section 16*, and its actions and operations are further governed by its own self-imposed rules. The Committee's work addresses four main responsibilities:

1. Staying apprised of the activities of Town departments and other boards/committees whose actions fall within the purview of Committee responsibilities;
2. Recommending the upcoming fiscal year's budget for consideration at Annual Town Meeting;
3. Providing a Recommended Motion to Annual and Special Town Meetings for each Article in the associated Warrant; and,
4. Approving or disapproving—in concert with the Board of Selectmen—distributions (transfers) from the Reserve Fund.

7.1 LIAISON ACTIVITIES

Committee members are assigned to act as liaisons to Town departments, boards, and committees in order to facilitate coordination and the timely flow of information. In keeping with the Committee's role as a proxy for Town Meeting, liaisons must work to maintain a position of 'objective neutrality' in summarizing and reporting upon issues and to ensure that they are not perceived as 'advocates' or surrogate members of their assigned entities.

After the Committee Chair has assigned liaison sub-committee responsibilities for the current fiscal year (usually in the July-September timeframe), the sub-committee chair should contact the head or chair of the individual department/board/committee to so inform him/her and to request inclusion in the distribution of meeting minutes and other significant documents.

The mission of each sub-committee is to maintain an awareness of the entity's initiatives which may ultimately require Town Meeting consideration. Regular liaison contact with Town department heads and/or attendance at board/committee meetings is expected.

Liaison sub-committees should be prepared—at the request of the Chair—to update the full Committee on the assigned entity's current status regarding issues of consequence.

When more than one liaison is assigned to a particular department, board, or committee, the Chair will name a chair of the liaison sub-committee. Like the full Committee, liaison sub-committees are 'public bodies' under the Massachusetts Open Meeting Law and, therefore, must conform to all Open Meeting Law requirements. For more information, the Massachusetts Attorney General's *Open Meeting Law Guide* and other useful material is available at www.mass.gov/ago/openmeeting. The Committee Chair should be consulted should questions arise which are not satisfactorily addressed by published guidelines.

7.2 BUDGET RESPONSIBILITIES

There are three general budget components requiring review by the Committee:

- Municipal
- Education
- Capital

The budget recommended by the Committee for consideration at Annual Town Meeting is the aggregation of these three components and is incorporated in the Warrant's *Article 6*. Ideally, the Committee's budget recommendation reflects a consensus—balancing affordable cost with acceptable service-level—among the originating department-head, any board or committee providing guidance to the department (*e.g.*, Library Board of Trustees, School Committee, Veterans' Council, *etc.*), and the Board of Selectmen.

The Committee performs its Municipal and Education Budget oversight role through assigned budget sub-committees, as further described below; the Committee is directly represented on the Capital Outlay Committee by its two voting members.

The Town *Financial Policy* provides guidelines for the development of annual budgets, and Committee members should review this document at the beginning of each fiscal year.

7.2.1 The Municipal Budget Process

The proposed operating budget for Municipal salaries and expenses is prepared jointly by the Town Administrator, Town Accountant, and the various department heads.

The Board of Selectmen reviews each line-item of the Municipal budget in open hearings and votes either to recommend it as presented or to recommend changes.

Likewise, the Committee also reviews each line-item of the proposed Municipal budget, and votes to approve or to recommend changes—but only after the Board of Selectmen has already voted its recommendation for the same line-item.

7.2.2 The Education Budget Process

The School Department develops an initial operating budget proposal for Education salaries and expenses and presents it for School Committee consideration in a series of public hearings.

Members of the Committee's Education sub-committee attend those School Committee hearings in order to learn the priorities and concerns of the School Committee, the School Department, and the citizens who attend the hearings.

At the conclusion of the initial hearings, the School Committee votes on a proposed budget for consideration by the Board of Selectmen and the Committee.

Following the School Committee's vote on its final Education budget recommendation, the Board of Selectmen and the Committee, respectively, vote the operating Education budget.

7.2.3 The Capital Budget Process

Annually, each Town department, including the School Department, may propose prioritized capital expenditures for the next five fiscal years to the Capital Outlay Committee.

The Capital Outlay Committee includes two members of the Committee, three members appointed by the Town Moderator, and the Town Accountant in an *ex officio* capacity.

The Capital Outlay Committee evaluates departmental proposals and incorporates those which it considers most necessary into a recommended *Five-Year Capital Plan* which focuses particularly on the upcoming fiscal year. However, the remaining four years of the *Plan* should also reflect the department's current best assessment of necessary capital needs. The *Five-Year Capital Plan*, together with an accompanying narrative report, is then presented by the Capital Outlay Committee to the Board of Selectmen and the Committee for their respective reviews and votes.

While the *Five-Year Capital Plan* includes only capital items by department, *Warrant Article 6* incorporates those same proposed capital expenditures in order that both the operating and capital budgets of the various departments be presented for Town Meeting vote in *Article 6's* Recommended Motion.

Requests for very large capital expenditures—such as those for building projects or other expenditures which require borrowing—generally will appear in separate Warrant articles.

7.2.4 Budget Sub-Committees

Each member of the Committee will be assigned to one or more budget sub-committees.

The chair of each sub-committee will organize the work, and a member of each sub-committee will be assigned oversight responsibility for each budget line-item in the Warrant.

The role of each budget sub-committee involves understanding—through direct, detailed discussion with department heads—the following key elements:

1. **Priorities:** Understand the rationale for the department's top priorities, including new initiatives proposed for action during the upcoming fiscal year. Early focus on priorities facilitates the subsequent balancing of projected departmental expenses within forecast Town revenues. Department benchmarking data may be helpful in establishing priorities.
2. **Completeness:** Be satisfied with the sufficiency of the department's budget to accommodate all anticipated expenditures, particularly those for which historical trends are available.
3. **Reserve Fund Transfer History:** Emphasize to department heads that Reserve Fund Transfer requests are intended only for unforeseeable events or emergencies. Review the history of RFT's from the department to discern if there is a pattern of RFT's over time. If a pattern exists, work with the department head to determine the causes of these RFT's and options for minimizing or eliminating them in future.

4. **Significant Budget Changes:** From time to time, department heads request, or are asked to consider, significant changes to their budgets from the trend of previous years. These changes may be triggered by new spending initiatives, ideas to make operations more efficient, or direction from the Town Administrator—on behalf of the Board of Selectmen—to reduce budgets based on diminished Town-revenue projections. In these circumstances, input from department heads is especially important to allow the Committee to evaluate such changes.

Suggestions for fulfilling assigned budget-sub-committee responsibilities follow:

- Review recent departmental budgets and Reserve Fund Transfer requests to become familiar with past patterns.
- Attend the relevant budget hearing(s) held by the Board of Selectmen, if possible. The Board of Selectmen's office will have the schedule.
- Attend quarterly budget reviews over the course of the fiscal year, if possible, to remain apprised of any issues which might arise affecting either Reserve Fund Transfer requests or budget requests for the upcoming fiscal year. The Town Accountant's office will have the year's budget-review schedule. If daytime attendance is impractical, the department head should be consulted for a summary of post-review highlights. In either case, follow up with the department head for answers to any questions which arise, particularly regarding significant changes from previous years' trends; the Town Accountant and the Town Administrator, or their respective staffs, can also provide information.
- Review new projects for potential impact on the department's budget (or possibly on other departmental budgets), *e.g.*, a requirement for ongoing increased maintenance or utility costs resulting from new buildings, new playing fields, *etc.* Impact assessment may involve interfacing with other Committee budget sub-committees.
- Invite department heads to attend the Committee's hearing on their respective budgets and ensure they know when the hearing is scheduled. Heads of large departments will generally attend (*e.g.*, Police, Fire, DPW, Library); heads of smaller departments may choose not to attend if there is no issue of substance to discuss. On the other hand, some department heads appreciate the opportunity to update the Committee on their work even if there is little to discuss about their proposed budget. Also, questions may occasionally arise even regarding smaller departments—if the department head is not present, issue resolution may have to be postponed pending further investigation. Requesting department head attendance at the budget review is a judgment call best made jointly.
- At the time of final Committee review, be prepared as sub-committee chair—or appropriate member with responsibility, if designated by the sub-committee chair—to summarize the respective department's priorities and other budget highlights, then invite the department head to amplify points as necessary. A detailed, line-by-line budget walk-through by the full Committee should not be necessary if the sub-committee has done its job well. Work with the department head to address any issues raised by the Committee during the review.

- Decide upon the budget recommendation to be moved, preferably after the Board of Selectmen has made its recommendation. The sub-committee recommendation will be offered as a motion to the full Committee. If the recommendation differs from that of the Board of Selectmen, be prepared to justify that position, and consider inviting the Town Administrator to the Committee's hearing to provide him—on behalf of the Board of Selectmen—the opportunity to join the discussion. If the sub-committee has proposed changes to an individual departmental budget, it is the sub-committee's responsibility to review proposed changes with the department head prior to the Committee meeting. The objective of the budget sub-committee's work is that there should be no 'surprises' during presentation to the full Committee.
- Finally, decide, in advance, who on each sub-committee will field questions about particular budget line-items from the floor of Town Meeting.

7.3 WARRANT ARTICLES

Warrant Articles can address several different types of issues, including:

- Petitions from ten (10) or more citizens for an Annual Town Meeting Article
- Petitions from 100 or more citizens for a Special Town Meeting Article
- Changes to the Town's *General By-Laws*
- Changes to the Town's *Zoning By-Law*
- Community Preservation Committee (CPC) Articles
- Sewer Commission Articles
- Articles involving the disposition of Town funds. These articles may address the:
 - Reserve Fund
 - Stabilization Fund
 - Building Department Revolving Fund
 - Harbor Dredging Fund
- Other articles involving the business of the Town

As a general rule, Warrant Articles for Annual Town Meeting must be proposed by January 20th. Some types of Articles have earlier deadlines (e.g., *Zoning By-Law* amendments), and some Articles may be included after January 20th by the Board of Selectmen to allow emergency or otherwise unforeseen issues to be addressed at Town Meeting. Most Articles of any complexity are initially proposed and discussed well in advance of the January deadline.

There are three parts to each Article as presented in the Warrant:

1. The **Article** as it was presented to the Committee. Changes may not be made by the Committee to the Article—it must be printed in the Warrant exactly as it was authored (or amended) by the original proponent(s). All Zoning Articles, regardless of how they were originally proposed, must appear with the final wording as recommended by the Planning Board.
2. The **Comment**, which briefly—but comprehensively—explains why the Committee took its position. Issue pros and cons should be presented in a concise, balanced, and impartial manner which, ultimately, should explain the rationale for the majority's

Recommended Motion. The Comment should also be used to anticipate and answer questions which might be asked from the floor, saving time at Town Meeting. Recommendation Motions for 'No Action' are sometimes presented without a Comment, but a Comment is desirable in most cases in order to address potential questions.

Properly drafted Comments can greatly facilitate the smooth functioning of Town Meeting, so ensure that they are clear, factual, and that they accurately reflect the thoughts of the Committee majority and—in rare instances—the Committee minority. Comments may also be examined at some future time in order to better understand the original intent of the Committee and of Town Meeting, so thoughtful, carefully-crafted Comments are very important.

3. The **Recommended Motion** of the Committee. This generally is the motion on the floor when the Article is considered at Town Meeting. If the Committee votes in favor of the Article as originally presented, the Recommended Motion will typically be, word for word, the same as the Article. If the Committee recommends something different, the wording will be whatever the Committee majority approved; however, the Recommended Motion must always be within the scope (the 'four corners') of the original Article.

Each Warrant Article will be assigned to one or more Committee members, who will recommend to the full Committee one of the following actions:

- Approval as originally proposed
- No Action (disapproval)
- Approval with a Recommended Motion which modifies the original Article language (but is still within the scope of the original Article)

Warrant Article assignees should proceed as follows:

- As soon as possible after receiving the assignment, speak to the proponents of the Article and learn the purpose and rationale for the proposed Article. If the Article proposes an action regarding an endeavor on which another board or committee is already engaged—such as a building project, a *Zoning By-Law* amendment, or a CPC Article—attend meetings of the relevant board/committee to gain further insight into formulating the Recommended Motion. If the Article is one of the recurring Articles which must be voted at each Annual Town Meeting, talk to the Committee member assigned the previous year for insight and direction.
- If the Article involves expenditure of Town revenue, confirm the amount with the Town Accountant prior to presenting to the full Committee.
- If the Article involves a real-estate transaction of any type, ensure that the parties involved have investigated (and have copies of, if appropriate) relevant documents and other legal instruments. Such items may include: the deed; wills or other estate documents; previous, related Town Meeting transcripts, Warrant Articles, and outcomes; minutes of Planning Board, Conservation Commission, Board of Selectmen, or other appropriate meetings addressing the property in question; appraisals; zoning analyses; hazardous waste analyses; property-condition reports; and anything else necessary to facilitate a rational, informed decision-making process.

- It is not uncommon for Warrant Articles to have long-term cost impacts which may not be immediately apparent. Such impacts may include ongoing operating costs, personnel costs, capital-repair and replacement costs and/or assumptions regarding tax-revenue growth, and the like. Encourage proponents of Warrant Articles to thoroughly assess the magnitude and funding-source of these total life-cycle costs before presenting their proposals to the Committee.
- Think carefully about who may be affected in any way by the Article and seek those individuals out as well. It is always best to identify all points of view as early as possible—including opposing views—in order that the Committee and Town Meeting may make the most informed decision possible. If Town departments or bodies (e.g., Planning Board, Historic Districts Commission, or the Conservation Commission) are recommending late changes to an Article, ensure that they notify everyone affected in a timely manner, in order that concerns may be addressed early. When concerns arise for the first time on the floor of Town Meeting—or at any time after the Warrant or Warrant Supplement has been published—it is generally too late to vet them thoroughly.
- Ensure that all interested parties know when the Committee will be discussing the Article. Scheduled discussions of Warrant Articles must be posted at least five business days in advance of the public hearing; the Committee’s administrative assistant will, upon request, make the actual hearing postings.

The Committee may discuss an Article at any time, but it will generally not vote on an Article until after the Board of Selectmen has voted it. Prepare draft Comments and Recommended Motions for Warrant Articles sufficiently in advance of the scheduled Committee hearings so that members will have an opportunity to review all relevant material prior to the meeting; drafts should be sent electronically to the Committee’s administrative assistant for e-mail distribution to the Committee and for inclusion in Committee members’ folders the night the Article is scheduled for discussion.

- Come to the scheduled hearing prepared to discuss the Article. It is the assignee’s responsibility to move the final Recommended Motion for the Committee’s vote and to prepare the corresponding Comment which will appear in the Warrant. During the course of the discussion, the Committee may make suggestions about the final language of the Comment and/or Recommended Motion, and the assignee should ensure that the Committee’s suggestions are incorporated appropriately.
- When the Committee disagrees with the Board of Selectmen and/or Town department or board/committee regarding a Recommended Motion for a particular Warrant Article, a timely attempt should be made to negotiate a solution upon which all parties can agree. While this isn’t always possible, it is helpful to the voters if Town leadership works collaboratively and constructively to fashion a proposal which addresses as many concerns as possible prior to Town Meeting.

Prepare the Article, Comment, and Recommended Motion using the following format.

Sample Warrant Article Title
ARTICLE ##. <i>Proposed Warrant Article language</i> (Inserted at the request of <i>originating person or body</i>)
COMMENT: <i>Language explaining the rationale for the Recommended Motion</i>
RECOMMENDED: <i>Recommended Motion of the Advisory Committee majority</i>

In order for the Committee's Recommended Motion to appear in the bound-Warrant for Annual Town Meeting, the Committee must vote the Article in early March (the exact date will be specified each year by the Board of Selectmen's office); voting well in advance of this deadline, if possible, is desirable.

After the Committee has voted a Recommended Motion, submit the original Warrant Article together with the approved Comment and Recommended Motion in an email to the:

- Assistant Town Administrator
- Committee Chair
- Committee Vice-Chair
- Committee Secretary
- Town Administrator
- Article originator and/or involved Town department head and/or committee chair

The original Article, the Comment (if any), and the Recommended Motion should be formatted in *MS Word* and sent to the addressees above in an email attachment formatted as follows:

- Add a document footer which reads: *'Approved by AdCom_MM_DD_YYYY'*
- Save the document file using a filename constructed as follows:
'##_Sample-Warrant-Article-Title approved_MM_DD_YYYY'

where *##* is the interim Article number and *Sample-Warrant-Article-Title* is the likely title for the Article in the Warrant's table of contents
(e.g., *'01_Hannah Lincoln Whiting Fund approved 02_15_2011'*)

- Format the *Subject* line of the email using the document filename above prefixed with the word 'FINAL'

If the Committee is unable to vote a Recommended Motion before the deadline for printing the bound-Warrant, the Recommended Motion, together with its related Comment, must be

printed in a *'Supplementary Report of the Advisory Committee,'* which is distributed on the night of Town Meeting. Such an outcome is not desirable, because voters likely have insufficient time for thoughtful review. Nevertheless, a *Supplementary Report* containing one or more Articles may be necessary due to still-unresolved issues at the time of bound-Warrant printing.

Once the draft Warrant has been assembled, each Committee member will be responsible for proofreading the Articles for which he/she has assigned responsibility. The final order of Articles in the Warrant and their respective numbering is at the discretion of the Board of Selectmen Chair.

At Town Meeting, Committee members will be responsible for presenting (if necessary) background information regarding a particular Article and/or responding to questions from the floor. Each sub-committee chair should determine in advance who will speak on behalf of the sub-committee and so inform the Committee Chair, who will inform the Town Moderator. Presentations and/or responses to questions should be factual, net, and should reflect only the positions publicly discussed by the Committee as it considered the Article. In deference to the expeditious conduct of Town Meeting, Committee members should only actually present pre-prepared material if it is determined that Town Meeting requires additional information in order to vote the Recommended Motion; the Committee Chair should be consulted when in doubt.

7.4 FY12 TOWN MEETING PROCESS SCHEDULE

7.4.1 2011 Special Town Meeting

Date	Event
30 Aug 2011	Special Town Meeting (STM) Warrant articles due
19 Sep 2011	STM ballot questions due
30 Sep 2011	STM Warrant to printer
5-7 Oct 2011	Warrant in citizens' mail
24 Oct 2011	Special Town Meeting
29 Oct 2011	Special Town Election

7.4.2 2012 Annual Town Meeting

Date	Event
1 Oct 2011	Annual Town Meeting (ATM) street-acceptance Warrant articles due
1 Dec 2011	ATM zoning Warrant articles due
20 Jan 2012	All other ATM Warrant articles due
Early Mar 2012	Advisory Committee FY13 Town Budget vote
16 Mar 2012	ATM ballot questions due; Warrant Comments & Recommended Motions finalized
26 Mar 2012	ATM Warrant to printer
7-9 Apr 2012	Warrant in citizens' mail
23 Apr 2012	Annual Town Meeting
28 Apr 2012	Annual Town Election

7.5 RESERVE FUND TRANSFERS

The Reserve Fund—authorized by Town Meeting in Warrant *Article 6* and managed by the Committee—is intended to meet unforeseen expenses which could not be anticipated during the annual budget-preparation process. Reserve Fund Transfer requests (RFT's) are generally prepared late in the fiscal year when Town departments project unanticipated expenses which could not be accommodated within their authorized budgets; they should be infrequent and utilized only for exceptional circumstances. Except in emergency circumstances, department budget liaisons should encourage the departments for which they have responsibility to submit RFT's prior to any expenditure of funds in order that the Committee is not presented with a *fait accompli*.

Budget liaisons will typically be expected to vet the RFT with the requestor prior to consideration of the RFT by the full Committee. The Committee votes on RFT's after the Board of Selectmen has voted.

7.6 ADCOM WEB SITE INTERFACE

The Committee maintains a home page on the Town web site in order to facilitate communication with the Town's citizenry, departments, and other Town boards and committees. Members may find it helpful to subscribe to Town emails detailing weekly meeting schedules by selecting the 'Join Our Mailing List' radio button on the Town's home page.

Telephone messages left on the Committee's published voicemail phone number (781-804-2388) and/or emails sent to the published email address (AdvisoryCommittee@hingham-ma.com) are fielded by the Committee's administrative assistant and distributed to the full Committee at its next meeting.

The Committee's web pages also include the current Committee membership roster, budget and liaison sub-committee assignments, and approved meeting minutes dating back to 2006. Links are also available for several of the governing documents included in this *Handbook* as well as for selected Committee presentations, e.g., 'Economic Summit – Advisory Committee Perspectives,' delivered in January 2010 and the '2011 Town Forum,' delivered in February 2011.

7.7 FY12 ADVISORY COMMITTEE MEMBERSHIP ROSTER

TERM EXPIRES 6/2012

Gregory M. MacCune, Secretary
Daniel J. Dwyer
Amy W. Farrell
Dennis C. Friedman
Ron L. Kirven

TERM EXPIRES 6/2013

Jonathan R. Asher, Chair
Karen A. Johnson, Vice Chair
Richard J. Innis
Mary M. Power
Thomas J. Pyles

TERM EXPIRES 6/2014

Elizabeth A. Eldredge
Linda K. Kutsch
Laura E. Marwill
James A. Sharkansky
James W. Taylor