

2015 Annual Town Meeting , June 1, 2015

Jim Williams, Selectman, TMM-Precinct 1

JWilliams@belmont-ma.gov

Article 21: WRITTEN ARTICLE OPINIONS

This motion should improve the transparency and process of the Meeting by disclosing the rationales behind the Selectmen and Warrant and Capital Budget Committees opinions instead of relying just on a description of the vote taken. As the Moderator suggested in our last meeting, members can call proposers to better inform themselves in advance of the meetings, but it also makes sense to be advised of the rationales behind the formal opinions in writing and in advance to facilitate our decision making.

Article 22: TOWN BUDGET PROJECTION MODEL

The Town routinely makes decisions that create long term financial commitments that need to be understood in relation to the Town's expected revenues during the commitment period and when they become due and payable. One way to address this risk and the consequent unpleasantness of fiscal surprises is to maintain what is called a steady state multiple year financial projection of the Town's budget covering the time period in question. Of course, the future is not predictable, but in the absence of knowledge of the future, prudent long term projections of budget scenarios can better inform decision makers and are, at the least, directional.

Article 23: QUARTERLY REPORT OF FREE CASHFLOW ACCOUNT

The free cash account often comes into play when disbursements are needed to fund various happenstance and Town Meeting approval is required. So, given its importance in the ongoing financial management of the Town, a quarterly report of the account balances and an explanation of any changes are in order to improve transparency and Town Meeting process. Also, even though the information is obtainable on line, it also seems a routine one click electronic distribution makes more sense versus requiring more than 250 Town Meeting Members to individually search the Town's website for the information.

Article 24: RISK MANAGEMENT FUNCTION

Enterprise Risk Management ("ERM") is a strategic business discipline that supports an organization's objectives by addressing its collective risks and managing their combined impact as an interrelated risk portfolio. It addresses all areas of organizational risk including financial, operational, reporting, compliance, governance, strategic, reputational, etc. It then examines those exposures as a portfolio of interrelated risks rather than as individual "silos" which makes improved implementation possible by revealing synergies and redundancies. It also recognizes that interrelated risks can create a combined exposure that differs from the simple sum of the individual risks. Essentially, ERM provides a structured process for management of all risks whether quantitative or qualitative. It's a different way to manage. It views effective risk management as an organizational advantage and seeks to embed in all critical decisions. While this approach may seem too theoretical for Belmont, its residence in the Town Administrator's office is appropriate given the existing multiple reporting relationships and it's own reporting line to the BOS who have ultimate responsibility for and oversight of Town Government. As a first step, each reporting Department will be asked to identify visions, missions, strategies, and risks. Expected loss or opportunity profiles will then emerge to be addressed primarily by systematic development of strategies to take advantage of opportunities identified and to avoid unexpected loss or unintended outcomes. This approach will fit very nicely into the continuing work of the Financial Task Force.