

Overview of Town Budget Process: Finance Committee Viewpoint

Karen Dow

First presented at 11/20/17 FinCom meeting; updated and expanded December 2017

- Early Fall:
 - FinCom gathers information on likely trends in expenses (health insurance, pensions, debt, salaries & wages, school population, capital needs) and revenues (state aid, local revenues, free cash, new growth, levy limit as per Prop 2 1/2).
 - This information is collected in FinCom model to assess balance between expenses and revenues for the next fiscal year, also to look at impact of assumptions for capital, changes in salaries, “other”, schools.
- November: issue guidelines so departments and their supervising boards can build their budgets for the next fiscal year. Guidelines are **not** a guarantee of funding; intended only to give everyone a starting point for the process of building a balanced Town budget for Annual Town Meeting in May.
- November-December:
 - Department heads and elected supervising boards consider their department operations and the guidelines, build and then vote on their draft budgets at public meetings.
 - This is a time for public input at department/board meetings to impact department budgets.
 - FinCom liaisons work with their departments to answer any questions, understand any issues.
 - Note that budget meetings for the schools typically last into January or even February as those budgets are larger and more complicated.
- January:
 - Budgets due to Town Hall in early January (except schools).
 - Board of Selectmen opens ATM Warrant. BOS decides content of warrant articles, except for those placed by citizens’ petition.
 - FinCom meets nearly weekly. Liaisons report on their department budgets, noting any issues, requests above guidelines, etc.
 - Later in January, schedule visits by some departments: issues, requests above guidelines, capital items.
 - Update FinCom model with base department budget requests, warrant articles (capital items, reserve funds) and any new information on revenues.
- February:
 - FinCom meets nearly weekly.
 - Selectmen close warrant.
 - Department visits continue as needed. Typically schools come to a February meeting.
 - Begin discussions on department budgets, warrant articles, revenue assumptions, led by appropriate FinCom liaison.

- March:
 - FinCom meets nearly weekly.
 - Selectmen finalize warrant, including any ballot questions.
 - FinCom finalizes discussions on department budgets, warrant articles, revenue assumptions.
 - Any projections of current FY turn-backs become more solid. FinCom may vote to recommend use of these to address some needs in current year at the STM rather than next FY in ATM.
 - Vote FinCom recommendations on department budgets and STM and ATM warrant articles, producing a balanced Town budget for the next fiscal year. Work with Selectmen on Prop 2 ½ ballot questions should any recommendations require overrides or exclusions.
 - Update FinCom model based on votes and any final updates to revenue assumptions.
 - Write FinCom letter that is included in town-wide mailing of warrant, discussing highlights and issues.
 - Warrant goes to print in late March.
 - Town Clerk sends ballot to print.
- April:
 - FinCom meetings as needed to re-visit any votes required due to updated information (for example, zoning by-laws typically in April after Planning Board public hearing).
- May:
 - Town Meeting first Tuesday (5/1/18)
 - Both STM (to deal with any spending in current FY) and ATM.
 - For each article, FinCom makes the recommendation of positive or no action. The Moderator takes questions and selects appropriate people to provide answers. Citizens in attendance vote on that motion and may offer amendments.
 - Town Meeting must result in a balanced budget.
 - Town Elections on Thursday after TM (5/3/18): elected positions, any ballot questions.
- July-October/November:
 - Town Hall Financial Team (THFT) finalizes current FY recap sheet for actual state aid and cherry sheet, new growth, Town Meeting votes including any approved overrides/exclusions, etc. BOS decides on whether or not to differentiate between residential and commercial/industrial/personal property rates, and also votes on possible exemptions for certain categories of property. Together with the total valuation of all property in Town (valuation overseen by the Board of Assessors), this determines the property tax rate. THFT submits the recap sheet to State DOR for approval.