Overview of the Municipal Budget Process and Key Concepts

April 13, 2022

mass.gov/dls
Overview of the Division of Local Services

DLS promotes sound municipal financial management practices and supports local officials by providing guidance, training, and oversight.

Five Bureaus:

- Bureau of Accounts
- Bureau of Local Assessment
- Data Analytics and Resource Bureau
- Financial Management Resource Bureau
- Bureau of Municipal Finance Law
You Will Learn:

**Budget Concepts**
- Financial Policies
- Capital Planning
- Forecasting
- Annual Budget Document

**Budget Procedures**
- Budget Development
- Budget Calendar
- Submittal to Legislative Body
- Monitoring
Key Takeaways:

- The budget process should be based on a data-driven understanding of the community’s fiscal condition and translate its needs and priorities into services.

- Financial policies, capital planning, and forecasting provide structure, context, and insight into a community’s needs, fiscal condition, and ability to provide service now and into the future.
Key Takeaways:

- The budget development process should be formally laid out, logical, with clearly defined roles and procedures.

- An annual budget document should include financial information, goals and objectives, lay out prospective revenues and expenditures, and explain program changes in detail.

- The budget should be monitored throughout the year to ensure that departments are spending within appropriations.
Introduction

Municipal Budget

- Translates community needs and priorities into services
- Provides short- and long-term fiscal context to guide decision-making
- Derives from a transparent, deliberative process that informs the public
Introduction

Municipal Budget

- Serves as a community’s single most important policy document
- Is more than simply matching revenues to expenditures
- Represents the intersection of all aspects of municipal finance
Essential Concepts

- Financial Policies
- Capital Improvement Plan (CIP)
- Long Range Financial Forecast

Annual Budget Document
Financial Policies

Reduce uncertainty
- Funding priorities
- Revenue allocation

Structure financial planning
- Identify stakeholders
- Define roles & responsibilities
Core Policies

Financial Planning
- Capital Planning
- Forecasting
- Financial Reserves
- Debt Management
- Investments
- OPEB
- Enterprise Indirect Cost Allocation

Financial Operations
- Reconciliations
- Revenue Turnover
- Tax Enforcement
- Antifraud
Capital Planning Policy

- Define capital project
- Assign responsibility
- Define capital budget process

- Establish selection criteria
- Identify capital financing strategy
  - Debt vs cash
  - Capital spending as % of annual revenue
- Debt Maturity
Forecasting Policy

- **Project Fiscal Impact**
  - Policies
  - Programs
  - Capital needs

- **Include in Budget Process**
  - Assign responsibility
    - Town Manager/Admin
    - Finance Committee
    - Board of Selectmen
    - Mayor
    - City Council

- **Set Revenue Guidelines**
  - Use: one-time, reserves
  - Data-driven

- **Set Expenditure Guidelines**
  - Level-funded vs level-service
  - Community-specific priorities
Capital Improvement Plan

Maintain community assets
- Provide optimal service
- Maintain and improve existing infrastructure
- Identify and invest in future needs

Organize capital spending
- Asset inventory
- Prioritize project submissions
- Five-year investment strategy
- Set spending parameters
  - Debt vs. cash
  - % annual revenue
Capital Assets

- Large Scale IT Infrastructure
- Vehicles
- Schools and Town Buildings
- Road and Utility Infrastructure
- Heavy Equipment
## Asset Inventory

<table>
<thead>
<tr>
<th>ID#</th>
<th>Facility</th>
<th>Year Built or Acquired</th>
<th>Sq Ft</th>
<th>Assessed Value</th>
<th>Replacement Cost (est.)</th>
<th>Historic Building</th>
<th>Condition</th>
<th>Use Type</th>
<th>Last Major Improvmt</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Town Hall</td>
<td>1850</td>
<td>5,336</td>
<td>$1,212,300</td>
<td>Good</td>
<td>Heavy</td>
<td>2004</td>
<td>FY04: $360K renovation. FY14: $20k repair chimneys</td>
<td></td>
<td></td>
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<tr>
<td>B2</td>
<td>Town Barn</td>
<td>1993</td>
<td>224</td>
<td>$293,900</td>
<td>Good</td>
<td>Heavy</td>
<td>FY13: In need of renovation/replacement</td>
<td></td>
<td></td>
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<tr>
<td>B3</td>
<td>Transfer Station</td>
<td>2003</td>
<td>65,000</td>
<td>$525,000</td>
<td>Good</td>
<td>Heavy</td>
<td>FY13: In need of renovation/replacement</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>B5</td>
<td>Police Station</td>
<td>1988</td>
<td>6,500</td>
<td>$650,000</td>
<td>Good</td>
<td>Heavy</td>
<td>FY13: In need of renovation/replacement</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>B6</td>
<td>Fire Station #1 - Center</td>
<td>1975</td>
<td>4,693</td>
<td>$918,800</td>
<td>Good</td>
<td>Heavy</td>
<td>FY13: In need of renovation/replacement</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>B7</td>
<td>Fire Station #2 - West</td>
<td>1940</td>
<td>1,440</td>
<td>$160,900</td>
<td>Good</td>
<td>Heavy</td>
<td>FY13: In need of renovation/replacement</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Identifier**
- **Construction/acquisition date**
- **Useful life (in years)**
- **Physical description**
- **Purchase Price**
- **Replacement cost**
- **Condition**
- **Use type**
- **Area for comment**
Capital Project

A capital project will either acquire, construct, enhance, maintain, or rehabilitate a capital asset.

City/Town should establish definition via policy

- Dollar threshold – ex: $25,000 or more
- Minimum useful life – ex: Ten or more years
- Include purchase of supporting services
  - Design/engineering
  - Feasibility studies
Capital Improvement Plan

Multi-year financing strategy

- Incorporates policy priorities
- Complies with CIP financing policies
- Integrated into financial forecast
- Ensures capital assets support base level of service

Includes detail and summary of proposed projects:

- Description of project
- 5-year breakdown of prospective project costs
- Funding source(s)
- Operating budget impact
- Stakeholders involved
- Benefit to residents
<table>
<thead>
<tr>
<th>CATEGORY CODES (CC):</th>
<th>Prior Year (FY17)</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
<th>Future Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - New Facility Construction</td>
<td>Total</td>
<td>125,000</td>
<td>300,000</td>
<td>50,000</td>
<td>A</td>
<td>125,000</td>
<td>A</td>
<td>25,000</td>
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<tr>
<td>2 - Parking Garage (Town Hall/Pierce Phase 4)</td>
<td>120,000</td>
<td>25,000</td>
<td>50,000</td>
<td>A</td>
<td>50,000</td>
<td>A</td>
<td>50,000</td>
<td>A</td>
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<tr>
<td>3 - Technology Applications</td>
<td>1,005,000</td>
<td>275,000</td>
<td>175,000</td>
<td>A</td>
<td>150,000</td>
<td>A</td>
<td>190,000</td>
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<tr>
<td>General Government Total</td>
<td>2,625,000</td>
<td>600,000</td>
<td>395,000</td>
<td>230,000</td>
<td>235,000</td>
<td>365,000</td>
<td>245,000</td>
<td>275,000</td>
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<tr>
<td>4 - Gateway East/Village Sq, Circulation Improv. - CD</td>
<td>378,000</td>
<td>378,000</td>
<td>500,000</td>
<td>H</td>
<td>250,000</td>
<td>A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 - Gateway East/Village Sq, Circulation Improv. - Other</td>
<td>1,422,000</td>
<td>1,422,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6 - Major Parcel Study</td>
<td>100,000</td>
<td>100,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6 - Zoning By-Law Reorganization</td>
<td>250,000</td>
<td>250,000</td>
<td></td>
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<tr>
<td>Planning &amp; Community Development Total</td>
<td>9,733,000</td>
<td>0,833,000</td>
<td>500,000</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150,000</td>
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<tr>
<td>PUBLIC SAFETY</td>
<td>5 - Fire Apparatus Rehab</td>
<td>1,550,000</td>
<td>50,000</td>
<td>500,000</td>
<td>A</td>
<td>1,000,000</td>
<td>A/B</td>
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</table>
## Capital Budget

### FY 2016 Recommended Capital Budget

<table>
<thead>
<tr>
<th>Department</th>
<th>Project Description</th>
<th>Recommendation</th>
<th>Requested Funding Source(s)</th>
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<tbody>
<tr>
<td>Community Development</td>
<td>Consenation Meadows Preservation Program</td>
<td>$ 26,400</td>
<td>CPA</td>
</tr>
<tr>
<td>Community Development</td>
<td>Lower Vine Brook Paved Recreation Path Reconstruction</td>
<td>$ 369,813</td>
<td>CPA</td>
</tr>
<tr>
<td>Community Development</td>
<td>Acquisition of Wright Farm - Parcel 2</td>
<td>$ 755,000</td>
<td>CPA</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Grain Mill Alley Additional Design</td>
<td>$ 18,000</td>
<td>CPA</td>
</tr>
<tr>
<td><strong>Total Community/Economic Development</strong></td>
<td></td>
<td><strong>$ 1,169,213</strong></td>
<td></td>
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<tr>
<td>Fire &amp; Rescue</td>
<td>Fire Pumper</td>
<td>$ 500,000</td>
<td>GF Debt</td>
</tr>
<tr>
<td>Police/Fire &amp; Rescue</td>
<td>Police/Fire Dispatching and Records Software</td>
<td>$ 705,900</td>
<td>GF Debt/Free Cash</td>
</tr>
<tr>
<td>Police</td>
<td>Parking Meter Replacement</td>
<td>$ 500,000</td>
<td>Debt/Parking Meter Fund</td>
</tr>
<tr>
<td>Fire &amp; Rescue</td>
<td>Public Safety Radio Stabilization, Phase 1</td>
<td>$ 90,000</td>
<td>Free Cash</td>
</tr>
<tr>
<td>Police</td>
<td>Design/Engineering - Firing Range at Hartwell Ave. Site</td>
<td>$ 50,000</td>
<td>Free Cash</td>
</tr>
<tr>
<td><strong>Total Public Safety</strong></td>
<td></td>
<td><strong>$ 1,845,900</strong></td>
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</tr>
<tr>
<td>Rec &amp; Community Programs</td>
<td>Lincoln Park Field Improvements</td>
<td>$ 650,000</td>
<td>GF Debt/Recreation RE/CPA</td>
</tr>
<tr>
<td>Rec &amp; Community Programs</td>
<td>Park and Playground Improvements</td>
<td>$ 68,000</td>
<td>CPA</td>
</tr>
<tr>
<td>Rec &amp; Community Programs</td>
<td>Park Improvements - Athletic Fields</td>
<td>$ 85,000</td>
<td>CPA</td>
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<tr>
<td>Rec &amp; Community Programs</td>
<td>Park and Playgrounds ADA Accessibility Study</td>
<td>$ 76,000</td>
<td>CPA</td>
</tr>
<tr>
<td>Rec &amp; Community Programs</td>
<td>Park Improvements- Hard Court Resurfacing</td>
<td>$ 55,000</td>
<td>CPA</td>
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<tr>
<td>Rec &amp; Community Programs</td>
<td>Pine Meadows Equipment</td>
<td>$ 68,000</td>
<td>Recreation RE</td>
</tr>
<tr>
<td><strong>Total Culture and Recreation</strong></td>
<td></td>
<td><strong>$ 1,004,000</strong></td>
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<tr>
<td>Public Facilities</td>
<td>Middle School Space Mining</td>
<td>$ 674,000</td>
<td>GF Debt</td>
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<tr>
<td>Public Facilities</td>
<td>Clarke Middle School Circulation and Parking Improvements, Design</td>
<td>$ 363,000</td>
<td>GF Debt</td>
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<tr>
<td>Public Facilities</td>
<td>LHS Phase 2 Overcrowding/Completion</td>
<td>$ 90,200</td>
<td>GF Debt</td>
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</tbody>
</table>
Maintain a Steady Balance of Capital Investment

- Track debt service as a percentage of revenue
- Take on new debt as old is retired

- Lack of reinvestment leads to lost capacity
- Codify in capital planning policy

Debt Service at Current % of Revenue

Lost Investment Capacity

Existing Debt

Millions

FY15  FY16  FY17  FY18  FY19  FY20  FY21  FY22  FY23  FY24  FY25  FY26  FY27  FY28  FY29
Long Range Financial Forecast

Brings context to budget decisions
- Determine fiscal condition: present and future
- Implication of policies and capital needs

Financial planning tool
- Project revenues and expenditures
- Play out varying assumptions
  - Trends, policies, future needs
- Evaluate impact of budget choices
- Make strategic decisions
  - Program expansions
  - Collective bargaining
Forecast Concepts

Revenue
- Tax Levy
- State Aid
- Local Receipts
- Available Funds
- Enterprise Receipts

Expenditures
- Employee Benefits
- Insurance
- Debt Service
- State Assessments
- Departmental Costs

Operating Budget

Policy Implications
- Community priorities
- Capital funding
- Debt level
- Stabilization fund
- Free cash management
- Collective Bargaining
Historical **Revenue** and **Expenditure** Data

Five Year Trend

*Revenues vs Expenditures*
Build Assumptions

Revenues vs Expenditures

Revenue trends

Program Increases
Policy Implications
Capital Needs
Collective Bargaining
Use Assumptions

Project Revenues and Expenditures Five Years

Revenues vs Expenditures
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Budget</td>
<td>Budget</td>
<td>Projected</td>
<td>Projected</td>
<td>Projected</td>
<td>Projected</td>
<td>Projected</td>
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<tr>
<td>Property Tax Levy</td>
<td>7,917,693</td>
<td>8,488,764</td>
<td>8,898,710</td>
<td>9,086,851</td>
<td>9,344,736</td>
<td>9,603,638</td>
<td>9,688,442</td>
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<tr>
<td>State Aid Cherry Sheet</td>
<td>255,739</td>
<td>299,356</td>
<td>323,180</td>
<td>326,642</td>
<td>333,219</td>
<td>339,956</td>
<td>346,855</td>
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<tr>
<td>Estimated Local Receipts</td>
<td>644,700</td>
<td>749,500</td>
<td>768,575</td>
<td>788,272</td>
<td>808,499</td>
<td>829,264</td>
<td>850,675</td>
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<td>Free Cash</td>
<td>286,843</td>
<td>225,000</td>
<td>105,000</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
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<tr>
<td>Available Funds/Other Financing</td>
<td>45,800</td>
<td>47,551</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Total Revenues</td>
<td>9,150,775</td>
<td>9,810,171</td>
<td>10,095,465</td>
<td>10,236,764</td>
<td>10,521,454</td>
<td>10,807,857</td>
<td>10,920,972</td>
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</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>450,385</td>
<td>511,889</td>
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<tr>
<td>Public Safety</td>
<td>1,197,710</td>
<td>1,274,904</td>
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<td>Education</td>
<td>5,383,609</td>
<td>5,875,591</td>
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<td>Public Works/Cemetery</td>
<td>556,270</td>
<td>765,426</td>
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<td>Health and Human Services</td>
<td>54,165</td>
<td>80,383</td>
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<td>Culture &amp; Recreation</td>
<td>213,719</td>
<td>211,905</td>
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<td>Debt Service/Capital Plan</td>
<td>344,141</td>
<td>270,664</td>
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<td>State Assessments</td>
<td>3,284</td>
<td>3,310</td>
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<td>Fixed Costs/Benefits</td>
<td>429,579</td>
<td>479,186</td>
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<td>Risk Management</td>
<td>94,735</td>
<td>100,190</td>
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<tr>
<td>Misc/Other Uses</td>
<td>362,525</td>
<td>192,744</td>
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<td>Other Amounts Raised</td>
<td>25,829</td>
<td>43,979</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>9,115,951</td>
<td>9,810,171</td>
</tr>
</tbody>
</table>

| Enterprise Fund Surplus/(Shortfall) | 34,824 | (0) |

<table>
<thead>
<tr>
<th>Enterprise Funds</th>
<th>Revenues - Budget</th>
<th>119,415</th>
<th>62,011</th>
<th>60,236</th>
<th>61,624</th>
<th>62,671</th>
<th>63,748</th>
<th>64,858</th>
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<tbody>
<tr>
<td>Expenditures - Actual</td>
<td>133,598</td>
<td>62,011</td>
<td>60,236</td>
<td>61,624</td>
<td>62,671</td>
<td>63,748</td>
<td>64,858</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community Preservation</th>
<th>Revenues - Budget</th>
<th>740,543</th>
<th>1,193,994</th>
<th>283,279</th>
<th>290,361</th>
<th>297,620</th>
<th>305,061</th>
<th>312,688</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures - Actual</td>
<td>695,243</td>
<td>1,193,994</td>
<td>283,279</td>
<td>290,361</td>
<td>297,620</td>
<td>305,061</td>
<td>312,688</td>
<td></td>
</tr>
</tbody>
</table>

| Total Surplus/(Shortfall) | (14,183) | 0 | 0 | 0 | 0 | 0 | 0 |

<table>
<thead>
<tr>
<th>GRAND TOTAL REVENUES</th>
<th>10,010,733</th>
<th>11,066,176</th>
<th>10,438,980</th>
<th>10,588,749</th>
<th>10,881,745</th>
<th>11,176,667</th>
<th>11,298,518</th>
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<tbody>
<tr>
<td>GRAND TOTAL EXPENDITURES</td>
<td>9,944,792</td>
<td>11,066,176</td>
<td>10,287,425</td>
<td>10,614,431</td>
<td>11,083,952</td>
<td>11,523,810</td>
<td>11,868,691</td>
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</tbody>
</table>

| Total Surplus/(Shortfall) | 65,941 | (0) | 151,555 | (25,682) | (202,208) | (347,144) | (570,173) |

<table>
<thead>
<tr>
<th>COLA Impact</th>
<th>Impact on General Fund</th>
<th>12,704</th>
<th>45,712</th>
<th>80,012</th>
<th>115,505</th>
<th>152,233</th>
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<tbody>
<tr>
<td>Surplus/(Shortfall) after COLA</td>
<td>138,851</td>
<td>(71,393)</td>
<td>(282,219)</td>
<td>(462,649)</td>
<td>(722,406)</td>
<td></td>
</tr>
</tbody>
</table>
Annual Budget Document

Communicate financial plan
- Financial policies
- Revenues and expenditures
- Departmental budget detail
- Capital financing plan
- Goals and Objectives

Highlight community priorities
- Budget message
  - Town Manager/Administrator
  - Finance Committee
- Long-term financial goals
- Upcoming challenges
Budget Preparation
✓ Establish authority
✓ Assign roles & deadlines
✓ Set process
✓ Allow for public review

Document Components
✓ Table of Contents
✓ Budget Message
✓ Forecast
✓ Organizational Chart
✓ Budget Calendar and Process
✓ Overview of Revenues and Expenditures
✓ Revenues Section
✓ Departmental Budget Sections
✓ Capital Investment Section
✓ Financial Policies
✓ Appendices
- Develop Guidelines
- Issue Materials
- Collect Submissions

Develop Guidelines
- Standardized submission forms and instructions

Allow time to develop requests

Issue Materials
- Department Review
- Budget Revision
- Public Hearings

Allow time to develop requests

Collect Submissions
- Individual/joint board meeting(s):
  - Department Presentations
  - Refine forecast
  - Adjust budget priorities

Board of Selectmen
- Mayor
- City Council

Departments meet with budget manager (exec or committee)

Budget Process
- Board of Selectmen
- Finance Committee
- School Committee

Adoption by Policy Boards
- Publish Final Budget
- Legislative Approval

Allow time for public review
## Budget Calendar

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>Town Manager issues Guidelines &amp; Instructions to departments</td>
<td>15</td>
</tr>
<tr>
<td>October</td>
<td>Tri-Board Meeting: Policy Discussion</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Operating and Capital Budget Requests due to Town Manager</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Town Manager Begins Dept Budget Reviews</td>
<td>20</td>
</tr>
<tr>
<td>November</td>
<td>Tri-Board Meeting: Revenue Projections</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Selectmen begin budget hearings</td>
<td>15</td>
</tr>
<tr>
<td>December</td>
<td>School Budget submitted to School Committee</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>School Committee holds budget hearings</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Capital Improvement Committee holds hearings</td>
<td>15</td>
</tr>
<tr>
<td>January</td>
<td>Tri-Board Meeting: Review working budget</td>
<td>15</td>
</tr>
<tr>
<td>February</td>
<td>Revenue Projections Updated</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Budget adjustments made (if necessary)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Revised Budget Submitted to BOS</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Revised Budget Submitted to Finance Committee</td>
<td>25</td>
</tr>
<tr>
<td>March</td>
<td>Selectmen vote to approve budget</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Budget submitted to Finance Committee</td>
<td>10</td>
</tr>
<tr>
<td>April</td>
<td>Finance Committee report due</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Warrant prepared and distributed to Town Meeting Member</td>
<td>10</td>
</tr>
<tr>
<td>May</td>
<td>Town Meeting Begins</td>
<td>4</td>
</tr>
</tbody>
</table>
### Article 4: APPROPRIATE FY2018 OPERATING BUDGET

**MOTION:** That the following amounts be appropriated for the ensuing fiscal year and that said sum be funded from water receipts and to be repaid from such other source as the Board of Selectmen may determine.

<table>
<thead>
<tr>
<th>Program</th>
<th>1000 Education</th>
<th>Personal Services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Article 5: APPROPRIATE FY2018 ENTERPRISE FUND BUDGET

**MOTION:** a) That the Town appropriate the following sum for the Department of Public Works Division of the Department of Public Works, under the provisions of M.G.L. Chapter 44, Section 5:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>$7,000</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,000</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$9,000</td>
</tr>
<tr>
<td>MWRA Assessment</td>
<td>$7,000</td>
</tr>
<tr>
<td>Total</td>
<td>$9,000</td>
</tr>
</tbody>
</table>

Said sum to be funded from water receipts and to be repaid from such other source as the Board of Selectmen may determine.

### Article 9: ESTABLISH AND CONTINUE DEPARTMENTAL REVOLVING FUNDS AND SPECIAL REVENUE FUND

**MOTION:** That the Town authorize the following revolving and special revenue funds for certain Town departments pursuant to the provisions of M.G.L. Chapter 44, Section 53E ½ and Section 53F ¾ for Fiscal Year 2018 beginning July 1, 2017 as

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY2018 Authorization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Article 12: APPROPRIATE FOR MUNICIPAL CAPITAL PROJECTS AND EQUIPMENT

**MOTION:** That the following amounts be appropriated for the following capital improvements and that each amount be raised as indicated:

- a) Center Streetscape Improvements and Easements – that this item be indefinitely postponed;
- b) Automatic Reader System - $40,000 to evaluate the existing meter equipment for compatibility with an Automatic Reader technology, and that to meet this appropriation $20,000 be appropriated from Water Fund Retained Earnings and $20,000 be appropriated from Wastewater Fund Retained Earnings;
- c) Equipment Replacement - $1,083,000 for the cost of departmental equipment for the Department of Public Works and all incidental costs related thereto, and that to meet this appropriation the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow $1,083,000 under M.G.L. Chapter 44, Section 7, or any other enabling authority. Any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount;
- d) Street Improvements and Easements - $2,542,927 for road reconstruction, repairs and resurfacing by the Department of Public Works and all incidental costs related thereto, and to be raised by eminent domain, purchase or otherwise acquire any fee, easement or other interest in land necessary therefor, and that to meet this appropriation $2,542,927 be raised in the tax levy, and authorize the Town to accept and expend any additional
Present to Town Meeting/City Council

[Image: YES ☑ NO $ $$ ?]
Budget Monitoring

- Appropriations = GL entries
- Budget vs Actuals
  - Department Budgets
  - Capital Appropriations
  - Revenues
- Keep accurate data
  - Basis for next year’s budget
Conclusion

Fiscal Condition Impact of:
- Programs
- Policies
- CIP

Maintain Assets Financing Strategy

Financial Policies

Capital Improvement Plan (CIP)

Long Range Financial Forecast

Priorities Guidelines Structure

Annual Budget Document
Theo Kalivas
Project Manager
Financial Management Resource Bureau
kalivast@dor.state.ma.us

On the web:
Division of Local Services
mass.gov/dls
Community Compact Cabinet
mass.gov/ccc