

BUDGET PREPARATION AND REVIEW POLICY

In order to provide a more detailed budget document that will enhance public understanding and assist the Finance Committee in fulfilling its responsibilities under the Town Code and provide explanations for expenditures, revenues and variances from prior year, the following policy is adopted effective September 10, 2012 to guide preparation of the FY2014 annual operating and capital budget of the Town of Wayland.

Budget Guidelines for Departments, Officers, Boards and Committees

The Board of Selectmen, School Committee and Finance Committee shall meet not later than October 10th of each year to review and discuss information and forecasts related to estimated expenditures and revenues for the ensuing fiscal year.

Capital Budget: Preparation of the Five-Year Capital Improvement Plan and Timetable

In accordance with the provisions of the Town Code, the Finance Committee has responsibility for preparing and presenting in the Annual Town Meeting Warrant, a five-year capital improvement plan (CIP).

The capital budget includes all items recommended for the ensuing fiscal year, the first year of the five-year plan. A capital project is defined as a project or purchase having a useful life of at least five (5) years, which costs at least \$25,000. This includes studies, acquisition of trucks and other heavy equipment, building or land purchases, and building renovations or new construction.

The following procedure will guide preparation of the five-year CIP:

- All building related requests (general maintenance, major repairs, new buildings) need to be reviewed and approved for completeness by the Public Buildings Director, who will be responsible for submitting the request.
- Amounts requested for projects or purchases in years 2 through 5 should reflect the best estimate of the future cost for purchase/repair.
- Requests that are to be funded with CPA funds should also be included. The Community Preservation Committee must review and approve that funding sources for the project prior to being included in the capital budget for first year projects or purchases.
- The default funding is borrowing/cash capital. If there are any other available sources of funding or partial funding, identify the source at the bottom of the form. The Finance Committee will determine the final funding recommendation for Town Meeting vote.
- Requests should follow the 5-year plan unless there are exceptional circumstances.

Submission deadlines:

- Requests from all departments, boards, officers and committees shall be submitted to the Town Administrator by the fourth Thursday of October.
- The Town Administrator will review the submissions, assure completeness, and compile the requests into the five-year CIP format for transmission to the Finance Committee by November 15th for initial review.
- The Town Administrator shall submit to the Finance Committee for its review and adjustment a recommended five-year capital improvement plan (CIP) by the first Friday in December.

- The accompanying chart provides an overview of all responsibilities, submission requirements and deadlines related to the Capital Budget process. (*chart pending*)

Operating Budget: Budget Preparation Process, Revenue and Income Estimates and Timetables

Board of Selectmen

Operating Budget: The various Town departments, boards, officers and committees under the jurisdiction of the Board of Selectmen shall submit by October 31st to the Town Administrator detailed estimates of proposed expenditures deemed necessary for the administration of their respective department, board, office or committee for the ensuing fiscal year, with explanatory statements of the reasons for any changes from the amounts appropriated for the same purpose in the preceding year.

The Town Administrator shall submit to the Board of Selectmen for its review and adjustment for all Town departments, boards, officers and committees under the jurisdiction of the Board of Selectmen by the first Friday in December detailed estimates of proposed expenditures deemed necessary for the administration of all such departments, boards, offices, or departments for the ensuing fiscal year, including both capital and expense items.

The Board of Selectmen shall provide to the Finance Committee by January 10th its recommendations for each Town department, board, officer and committee under its jurisdiction included in the proposed annual capital and operating budget recommended by the Town Administrator for the ensuing fiscal year.

Revenue and Income Estimates: These same departments, boards, officers and committees shall also file with the Town Administrator by October 31st estimates of all probable items of revenue and income which may be received during the ensuing year in connection with the administration of their department, board, office or committee.

The Town Administrator shall submit to the Finance Committee by December 15th estimates of all probable items of revenue or income which may be received by them during the ensuing year in connection with the administration of each such department, board, office, or committee.

All Other Committees, Boards and Departments

Operating Budget: The various Town boards, officers and committees not under the jurisdiction of the Board of Selectmen shall submit by December 15th to the Town Administrator for transmission to the Finance Committee detailed estimates of proposed expenditures deemed necessary for the administration of their respective board, office or committee for the ensuing fiscal year, with explanatory statements of the reasons for any changes from the amounts appropriated for the same purpose in the preceding year.

The materials above will be transmitted to the Finance Committee by December 15th.

Revenue and Income Estimates: These same boards, officers and committees shall also file with the Town Administrator for transmission to the Finance Committee by December 15th estimates of all probable items of revenue and income which may be received during the ensuing year in connection with the administration of their board, office or committee.

The materials above will be transmitted to the Finance Committee by December 15th.

The accompanying chart provides an overview of all responsibilities, submission requirements and deadlines related to the Operating Budget and revenue estimation process. (*chart pending*)

Summary

The Town Administrator shall review and make recommendations to the Board of Selectmen and the Finance Committee with respect to the proposed Omnibus budget, including both capital and operating expenditures, and revenue and income estimates of all other Town boards, committees, offices and departments, except for the School Committee, for the ensuing fiscal year by January 10th.

The School Committee shall review and make recommendations to the Finance Committee with respect to the proposed budget, including both capital and operating expenditures, and revenue and income estimates for the ensuing fiscal year by January 15th.

The Finance Committee shall cause to be published in the Annual Town Meeting Warrant its recommended annual operating and capital budget for the ensuing fiscal year in accordance with the schedule prepared and approved by the Board of Selectmen for Annual Town Meeting, but not earlier than February 15th.

Content Of Proposed Annual Operating And Capital Budget Presented To The Finance Committee

The proposed capital and operating budget is to be a reflection of community needs and the priorities suggested by the Board of Selectmen and independent town officers, boards and committees. However, departmental submissions should reflect an assessment of the funds and personnel required to meet the quality of service delivery expectations of the citizens of Wayland and balanced against fiscal guidelines established by the Finance Committee.

Specifically, the budget submissions should include

- an explanation of the reasons for any changes from the amounts appropriated for the same purpose in the preceding fiscal year
- a narrative description of the funding request justifying existing and new requests
- a brief outline of the duties and functions of the department, office, board or committee, with a focus on specific objectives and the services to be provided to the public
- statistics that demonstrate shifts in service demands, and
- a complete explanation of any increases in individual line-items within the narrative.

Additionally, the budget submission should

- reflect thoughtful consideration of the workplan for the remainder of the current fiscal year and the proposed schedule of activity for the ensuing fiscal year.
- evaluate the need for existing or new personnel, and
- closely scrutinize equipment, supply and contractual requests.

The Town Administrator shall prepare for the Finance Committee a budget transmittal letter that discusses long-term fiscal strategies, identifies external issues that impact the proposed budget, provides an explanation of year-to-year trends in expenses and revenues, and describes the programs and services funded by the various line-items. He/she shall provide analysis, explanations, and alternative strategies as requested by the Finance Committee to achieve recommended goals and objectives, as well as assist with presenting budget recommendations in the Warrant and to Annual Town Meeting.

Pertinent Provisions Of The Code Of The Town Of Wayland

(underlined text added as a result of adoption of Town Administrator bylaw and special act in 2004)

Section 19.3

The Finance Committee shall prepare the omnibus operating budget of the Town and submit it at the annual Town meeting. It shall also prepare and present to the annual Town meeting a five-year capital improvement program for the Town, which shall include the construction and reconstruction of capital

assets (such as municipal buildings, recreational facilities, roads and landfills) and acquisition of land, equipment and vehicles and other personal property, and shall make recommendations to the appropriate authorities proposing such improvements.

Section 19.4

The various Town boards, officers and committees charged with the expenditure of Town money shall, not later than the 15th of December in each year, file with the Clerk of the Finance Committee detailed estimates of the amounts deemed necessary for the administration of their respective board, office or committee for the ensuing fiscal year, with explanatory statements of the reasons for any changes from the amounts appropriated for the same purpose in the preceding year. They shall also file estimates of all probable items of income which may be received by them during the ensuing year in connection with the administration of their board, office or committee. One month prior to the 15th of December in each year, for all Town boards, officers and committees under the jurisdiction of the Board of Selectmen, the Town Administrator shall submit to the Board of Selectmen detailed estimates of the amounts deemed necessary for the administration of all such boards, offices, or departments for the ensuing fiscal year, including both capital and expense items. The Town boards, officers and committees under the Board of Selectmen's jurisdiction shall be defined as those boards, officers and committees appointed by the Board of Selectmen in accordance with the Town's by-laws and/or state law. The budget submission should include explanatory statements of the reasons for any changes from the amounts appropriated for the same purpose in the preceding fiscal year. For each such Town board, officer, committee and department under the Board of Selectmen's jurisdiction, the Town Administrator shall also, as part of the submission, file estimates of all probable items of income which may be received by them during the ensuing year in connection with the administration of each such board, office, committee or department. For the Town boards, officers, committees and departments under the Board of Selectmen's jurisdiction, the Town Administrator shall submit preliminary budgets to the Finance Committee by December 15th of each year. Prior to January 15 of each year, unless another date is agreed to, the Town Administrator shall review and make recommendations to the Board of Selectmen with respect to the budget requests, including both capital and expense items, and income estimates of all other Town boards, committees, offices and departments, except for the School Committee. In addition, the Board of Selectmen shall, no later than the 15th of January in each year, unless another date is agreed to, make both a capital and expense budget recommendation to the Finance Committee for the ensuing fiscal year for each Town board, officer and committee under its jurisdiction.

Section 60.2.2(c)

60.2.2 The Town Administrator shall, unless otherwise directed by the Board of Selectmen, manage and supervise all affairs of Town departments and committees under the jurisdiction of the Board of Selectmen.

With respect to all other affairs of the Town government, the Town Administrator shall:

(c) Work with the Finance Director and Finance Committee to:

- 1) Develop long-term financial strategies for the Town;
- 2) Establish set budgetary guidelines to be used in the development of annual budgets;
- 3) Review budgets of all Town departments and make recommendations to the affected boards and committees and to the Finance Committee about priorities important to budget development; and
- 4) Evaluate actual expenditures and receipts against budgets and coordinate with affected department heads, boards and committees the development of plans to manage to the budget or obtain Finance Committee approval for Reserve Fund transfers, in advance of spending, when possible;