

Selectmen's Policy for Annual Budgeting and Financial Review

Town of Waterboro
Adopted

Preamble

In 2010, the Board of Selectmen adopted a "Standard Budgeting Process" to be used in for the annual (FY2010) budgeting. This fulfilled a goal that the BOS established in the 1st Quarter of FY 2010. This "Standard Budgeting Process" was utilized for the budgeting exercise of FY2011 and subsequently used as a "Standard" for the FY2012, with slight modifications to the actual calendar dates within the timeline.

It is the intent of this "**Selectmen's Policy**" to adopt a "Standard Budgeting Process" along with implementing a "Standard Financial Review Process" which will be utilized until such time as the BOS deem that specific changes and/or it's complete elimination are required.

This policy complies with and clarifies the Article 9 of the Town of Waterboro Charter, "Business and Financial Review".

Section 1 Budget Creation

This section addresses the requirements and timelines set forth by the Town of Waterboro Charter Article 9 section 903.

a. Preparation and Submission of the Budget.

One hundred and twenty (120) days prior to the Annual Town Meeting the Board of Selectmen shall complete and submit to the Finance Committee the Town budget for all departments (with the exception of RSU #57's budget) for the ensuing fiscal year along with an accompanying explanatory budget message.

The budget shall be compiled from detailed information furnished by elected officials, administrative officers, department heads, boards and committees. The budget shall provide a complete financial plan of all town finds and activities for the ensuing fiscal year and, except as required by law or by the Town Charter, shall be submitted in such a form as called out by the Policy. In organizing the budget, the Bard of Selectmen shall utilize the most feasible combination of expenditure classification by fund, organization, program, purpose, or activity. It shall begin with a clear general summary of the contents and shall show in detail all estimated revenues indicating the proposed property tax levy and all proposed expenditures, including debt service, for the ensuing year. Comparative figures for actual and budgeted revenues and expenditures of the preceding fiscal year shall also be reflected. An increase or decrease in any item shall be indicated. The budget shall contain:

1. A statement of the financial condition of the Town
2. An itemized statement of proposed expenditures for current operations during the ensuing fiscal year, detailed by offices and departments in terms of their respective work programs and method of financing such expenditures

3. An itemized statement of the estimated revenue from all sources other than taxation and a statement of taxes required
4. Proposed capital expenditures during the ensuing fiscal year detailed by offices and departments when practical and the proposed method if financing such expenditures

The proposed budget shall be reviewed by the Finance Committee which shall make recommendations to the Board of Selectmen.

b. Budget Expectations

In order to establish budget expectations for the ensuing fiscal year, selectmen shall conduct a workshop, by mid October, with all department heads, applicable staff and committee chairs for and present a brief overview of the financial status of the municipality as well as taking input and suggestions from those in attendance. Following the workshop the selectmen will establish their expectations and submit them, in writing, to the Town Administrator by the end of October. These expectations will become the guideline for budgets submitted by staff for considerations.

Budgets submitted by staff should flow as a result of the selectmen's vision for the upcoming fiscal year. These expectations should be based on revenues and expenses of the most recent fiscal year, anticipated revenues for the upcoming year, staff recommendations and needs of the municipality.

All budget submittals shall be on "Town of Waterboro Budget Submittal Form", **Appendix A** of this Policy. All Capital Plan budget submittals shall be made on "Town of Waterboro Capital Plan Submittal Form", **Appendix B** of this Policy.

c. Budget Timeline

Budget submittals shall adhere to the following timeline dates. All dates reflect "No Later Than" dates however, in the event that the dates fall on a non-business day of the budget year being worked, the date shall default to the next business day. This timeline is based on the Annual Town Meeting being held the second Saturday of June.

October 16 – Capital Improvement Plans submitted to the Board of Selectmen for review

October 30 – All department heads, boards and committees will be notified in writing if the budget expectations and timeline.

December 15 – Elected officials, administrative officers, department heads, boards and committees shall submit budget requests to the Town Administrator. The Town Administrator shall meet with all responsible parties to review their respective budget submittal and develop any necessary changes. If a required budget submittal is not received by the deadline, a budget based on the previous fiscal year's revenues and expenditures will be used by the Board of Selectmen during their budget review process.

January 7 – The combined budget shall be presented to the Board of Selectmen by the Town Administrator for review.

February 1 – The Board of Selectmen and the Town Administrator will meet to establish the budget. Elected officials, administrative officers, department heads, boards and committees





will be called upon to attend meetings, schedule by the BOS Chair and Town Administrator, for presentation of their budget requests.

Each budget meeting shall have an agenda to keep the Board on task and a budget spread sheet will be made available electronically so that the Board can make real time changes during the meeting.

Copies of the agenda will be forwarded to the Finance Committee and posted on the Town's website. Notes will be taken during the meetings with copies of the updated budget distributed to the Board within 2 working days to keep all members up to date and to provide a means for those not present to be brought up to speed.

February 8 – Board of Selectman's completed budget submitted to the Finance Committee.

March 8 - Finance Committee will review the submitted budget and if necessary, call upon elected officials, administrative officers, department heads, boards and committees to attend the Finance Committee's meetings. Such requests shall be made through the Town Administrator. The Finance Committee shall have an agenda for each meeting and will forward a copy of same to the Town Administrator and Board of Selectmen in advance of each meeting. Agendas will also be posted on the Town's website.

March 9 – Finance Committee will make a presentation of their recommendations to the Board of Selectmen

March 15 – The Board of Selectmen will review recommendations of the Finance Committee and make any final changes to the budget.

March 15 – Money Article Deadline – budget is complete.

April 13 – Non Money Articles deadline for the Warrant

May 8 – Warrant Closed

May 15 – Deadline for Town Report to printer

May 31 – Public reading of the Annual Town Meeting warrant and budget at the weekly meeting of the Board of Selectmen followed by questions and answers.

d. Communications

In order to facilitate a productive budget season, emphasis should be placed on frequent and open communications between the Board of Selectmen, Town Administrator, Department Heads and Finance Committee thru out the budget process. Notice of meetings and agendas will be freely exchanged in a timely fashion and meeting minutes or drafts of minutes will be shared within 2 working days of meetings.

Section 2 Financial Management

a. Review & Budget Management Expectations

Once the budget is approved by the voters at Annual Town meeting and/or Special Town Meeting, the Town Administrator and the Town Treasurer will insure that all Budgeted Revenues and Expenditures are entered into the Town Financial Operating System within the appropriate department accounts (The Town of Waterboro currently utilizes Trio Software, which is a product of Harris Computer Systems.)

July 1 – Deadline for entry of Annual Budgeted Revenues & Expenditures into Towns Operating System

The BOS, Town Administrator, Town Treasurer and Department Heads shall review the Revenue and Expenditure Reports for accuracy and raise any questions with regard to the concerns/clarification of both the Revenues and/or Expenditures by Department and/or Account. Once this review has been completed, the BOS, Town Administrator, Treasurer and Department Heads shall formally sign-off on the content of Revenues and Expenditures with the Town's Operating System. The Town Administrator, Town Treasurer and Department Heads shall be held accountable for managing the budgets in accordance with the approval given at Town Meeting.

August 1 – Deadline for BOS, Town Administrator, Treasurer, and Department Head sign-off of formal review of Annual Budgeted Revenues & Expenditures as entered into Town's Operating System.

b. Financial Review

On a Quarterly basis, there shall be an official Financial Review held publically with the BOS, Town Administrator, Town Treasurer, Department Head and the Town's Finance Committee.

Each major department in conjunction with the Town Administrator and Town Treasurer shall prepare and present the quarterly status of all revenues and expenditures by major account as compared to the approved Budgeted amount. Any risks and/or opportunities shall also be presented with recommendations for action as required. The BOS may or may not initiate action(s) with regard to the individual department revenue/expenditure profile.

These reviews are mandatory and shall take place no later than the 15th of the month immediately following the close of each Fiscal Quarter with the exception of the 4th quarter which will take place no later than the 16th of last month of the current FY. It shall be the responsibility of the Chairman of the BOS in conjunction with the Town Administrator to schedule the actual date of these reviews.

All reviews shall be presented in a format shown on **Attachment C** of this policy.

October 15 – Deadline for Q1 Financial Review

January 15 – Deadline for Q2 Financial Review

April 15 – Deadline for Q3 Financial Review

June 16 – Deadline for Q4 Financial Review





**CAPITAL IMPROVEMENTS PLAN
FISCAL YEARS: 2011 - 2016**

	TARGET YEAR	CAPITAL COST
Prepared by _____	FY 2011 – 2012	\$ _____
Reviewed by _____ Town Administrator	FY 2012 – 2013	\$ _____
Reviewed by _____ Board of Selectmen	FY 2013– 2014	\$ _____
Reviewed by _____	FY 2014 – 2015	\$ _____
Finance Committee	FY 2015 – 2016	\$ _____

PROJECT DESCRIPTION

TYPE OF PROJECT

PROJECT JUSTIFICATION

URGENCY

**IMPLICATIONS IF NOT
FUNDED OR IF NOT
COMPLETED**

**CAPITAL COSTS &
RETURN ON PUBLIC
INVESTMENT**

FUNDING SOURCES

**ADDITIONAL
SUPPORTIVE
DOCUMENTATION**





Initial Request Worksheet
Expense

Account	Current Budget	Budget Request
Dept/Div: 92-01 CIP PROGRAMS / GENERAL		
PURCHASES CP		
45-7000 EQUIPMENT	45,495.00	
Public Works Truck will include plowing municipal parking lots. Moved to leases with 5 annual payments of \$9,592.00		
45-7015 BUILDINGS	12,400.00	
Central Station Boiler Replacement \$9,850.00 Replace Windows At Library \$16,550.00		
45-7025 COMPUTERS	13,108.00	
COMP. VILLAGE PLANNING STUDY 3/30 deleted		
45-7030 UPGRADE ROAD	60,000.00	
2011 - 2012 Additional Ditching \$60,000.00		
GENERAL		
CIP PROGRAMS	131,003.00	