

Review of Fiscal Policy and Financial Procedures

Town of Barnstable, MA

Annual Fiscal Policy Considerations

Tax levy growth

Tax levy allocation

Allocation of General Fund Resources – capital vs. operations

Allocation of General Fund operating resources – school vs. municipal

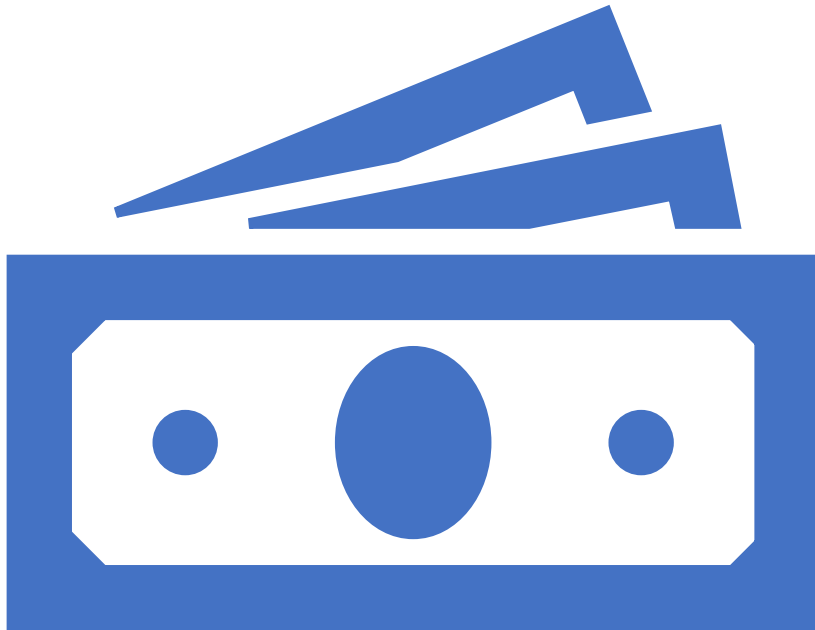
Modifications to service levels

Enterprise fund subsidies

Creation of new revenue sources

Dedication of specific revenue sources

Property tax exemptions – TIEs, TIFs, residential and other



Financial Procedures Encompassed in the Charter

- Annual Budget Policy
- Submission of Budget and Budget Message
- Action on the Budget
- Supplementary Budgets & Appropriations
- Capital Improvements Plan
- Long-term Financial Forecast
- Annual Audit
- Financial Management Standards

Budget Cycle



Strategic Plan Development

Identifies Town Council priorities
Updated Biennially



Annual Budget Policy Development

Charter Requirement
Town Mgr. & School Sup. Agreement on revenue sharing
Presented at joint meeting of Town Council & School Comm.



Capital Improvement Plan Development

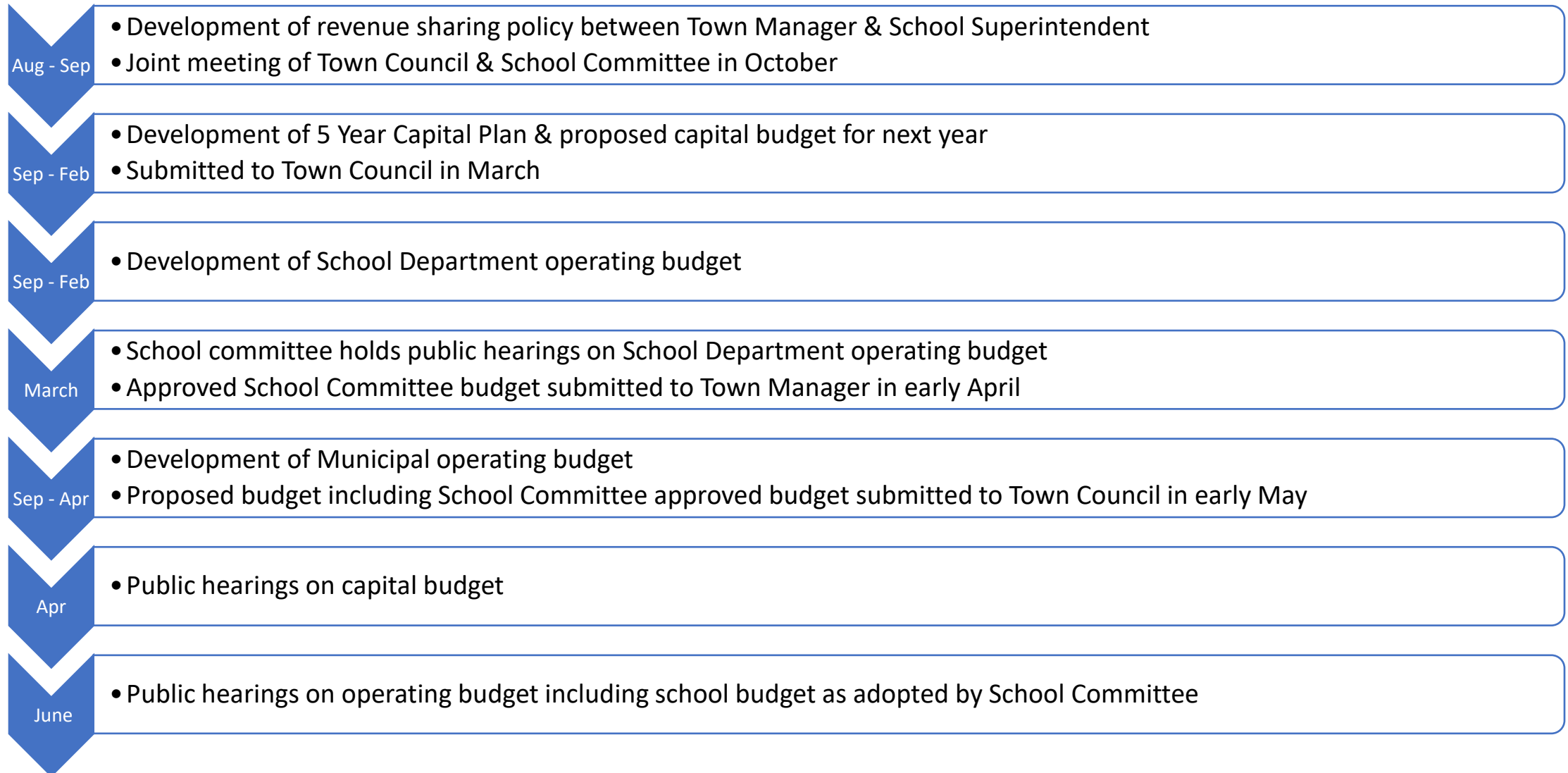
Charter Requirement
Assisted by CIP Taskforce



Operating Budget Development

State Law
Limited powers over School Dept. budget

Budget Calendar



FY 2025 Budget Action Calendar Tasks

FY25 Budget Action Calendar

DATE	ACTION
Monday, September 18, 2023	Town Manager issues instructions to Municipal Departments for FY25 Operating & Capital budgets
Friday, October 13, 2023	Municipal Departments submit preliminary listing of any proposed FY25 position changes with supporting justification to Human Resources (HR) with copy to Town Manager
Monday, October 16, 2023	Municipal Departments submit Calendar Year fee change requests to Town Manager
Thursday, October 19, 2023	Town Council conducts joint meeting with School Committee in accordance with Town Charter to review financial condition and financial policies of the Town
Monday, October 30, 2023	Town Manager & School Superintendent develop annual policy agreement on allocation of projected FY25 General Fund revenue growth
Monday, November 6, 2023	Departments (including School) submit Capital Improvements Project (CIP) data sheets with supporting photos and review of existing capital projects to Town Manager
Tuesday, November 14, 2023	Town Manager conducts public hearing on any proposed changes to <u>Calendar Year fees</u>
Wednesday, November 15, 2023	Human Resources submits position changes summary including comments to Town Manager
Wednesday November 15, 2023	School Committee Meeting – Strategic Plan and Priorities
Monday, November 27, 2023	CIP Task Force provided copy of CIP submissions
Monday, November 27, 2023	Superintendent issues Operating budget instructions for School Department
Thursday, December 7, 2023	Municipal Department Managers submit Operating Budget <i>Decision Packages</i>
Thursday, December 14, 2023	CIP Task Force conducts workshop on CIP submissions (Date Subject to Change)
Wednesday, December 20, 2023	School site/department submit Operating Budget requests
Thursday, December 21, 2023	Annual Organization of Town Council (TM must submit budget to Town Council within 170 days per M.G.L. 44 § 32) (Friday, June 7, 2024)
Friday, January 5, 2024	Municipal Department Managers submit Operating Budget <i>Narratives</i> including photos
Wednesday, January 24, 2024	School Committee Workshop (FY25 Budget Introduction/ Confirming Strategic Direction of Budget)
Wednesday, January 17, 2024	Municipal Departments submit Fiscal Year fee change requests to Town
Wednesday, February 7, 2024	School Committee Meeting – Initial Presentation of FY25 Budget
Wednesday, February 14, 2024	School Committee Workshop (Round Table Review of Budget)
Monday, March 4, 2024	Town Manager submits recommended FY25 Capital Budget to Town Council per Part VI, Section 6-5 (d) of the Charter (<i>TC must adopt plan BEFORE June 1, 2024</i>)
Wednesday, March 6, 2024	School Committee Meeting – FY25 Budget Review
Tuesday, March 19, 2024	Town Manager conducts public hearing on any proposed changes to <u>Fiscal Year fees</u>
Wednesday, March 20, 2024	FY25 School Operating Budget Public Hearing
Wednesday, April 3, 2024	School Committee meeting to adopt FY25 Operating budget
Thursday, April 4, 2024	School Department submits adopted FY25 School budget to Town Manager
Thursday, April 4, 2024	Town Council conducts first reading of FY25 Capital Budget Orders. Capital Budget presentation made to the Town Council
Monday, April 8, 2024	CFAC submits their review of recommended FY25 Capital Budget to Town Manager & Town Council
Thursday, April 25, 2024	Town Council conducts first public hearing on FY25 Capital Budget
Thursday, May 2, 2024	Town Council conducts second public hearing on FY25 Capital Budget
Wednesday, May 8, 2024	Town Manager submits recommended FY25 Operating Budget to the Town Council. Town Council must adopt budget within 45 days (by June 21, 2024) otherwise it becomes part of FY25 appropriations per Section 6-3 (b) of the Charter)
Monday May 13, 2024	CFAC submits their review of recommended FY25 Operating Budget to Town Manager & Town Council
Thursday, May 16, 2024	Last Town Council meeting to adopt FY25 proposed Capital Budget (Must be adopted by June 1, 2024)
Thursday, May 16, 2024	Town Council conducts first reading of the FY25 Operating Budget Orders. Operating Budget presentation made to Town Council.
Thursday, June 6, 2024	Town Council conducts first public hearing on FY25 Operating Budget
Thursday, June 20, 2024	Town Council conducts second public hearing on FY25 Operating Budget
Friday, June 21, 2024	Special Town Council meeting (if needed) to complete public hearings on FY25 proposed Operating Budget.

Town Council Action School Committee Action Town Manager Action Municipal & School Dept./CFAC Action

Deadlines for FY25 Budget Approval

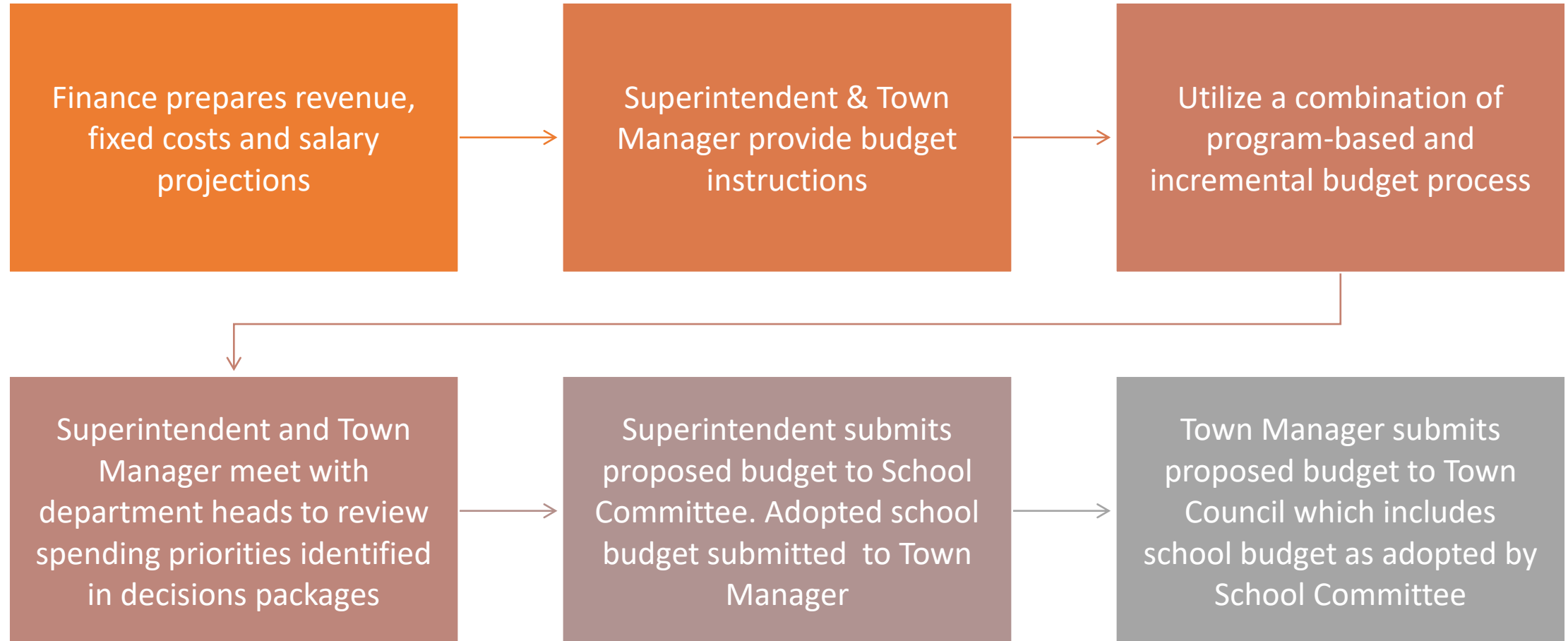
- State Law – operating budget must be submitted within 170 days of reorganization – June 8, 2024; scheduled for May 8, 2024
- Charter – must be acted upon within 45 days of submission – June 21, 2024
 - Public hearings scheduled for June 6 and 20, 2024
- Charter – capital program must be acted upon by May 31, 2024
 - Public hearings scheduled for April 25 and May 2, 2024

Internal Capital Budget Development Process

- Capital budget instructions issued by Town Manager in September
- Department Heads direct key staff to assist in the development of capital submissions
 - Submissions are reviewed and evaluated by a CIP Taskforce utilizing a two-step evaluation process
 - Town Manager provided scoring results and meets with Department Heads to discuss project submissions
- Town Manager submits proposed capital budget and 5-year capital plan to Town Council – copy provided to CFAC



Internal Operating Budget Development



Role of Comprehensive Financial Advisory Committee (CFAC) (§241-18 of Admin. Code)

Provide financial advice to the Town Council on the operating budget

Provide financial advice to the Town Council and to the Town Manager on matters of long-range financial planning

Responsible for advising the Town Manager on the annual preparation of the Town's capital improvement plan

Not responsible for the development and submission of a proposed capital or operating budget

Submits a report to the Town Council and Town Manager on the proposed capital and operating budgets

CFAC Interaction in Budget Development

- Receives copy of revenue and fixed costs projection prepared by finance
 - Updated on a regular basis as pertinent information is received by town
- Receives copy of capital submissions; attends CIP Taskforce meeting
- Meet with Department Heads to review capital project submissions and operating budget priorities
 - Sub-committees created for each budget
- Updated on a regular basis on matters of a financial nature
 - Funding strategy for Comprehensive Wastewater Management Program
 - Tax levy shifting options
- All meetings are open to the public via Zoom

Budget Documents Produced

1. 5-year Capital Plan and proposed Capital Budget for ensuing year
2. Proposed Operating Budget for General and Enterprise Funds
 - GFOA Best Practices utilized in development
 - GFOA Budget award received for 21 consecutive years
 - policy document
 - financial plan
 - operations guide
 - communications device
 - Award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting

Operating Budget Presentation and Appropriations

- Charter – Operating budget is presented in terms of work programs for all agencies
- State Law – Budget for each department must be classified and designated so as to show separately the amount recommended for operating expenses, salaries and wages, operating capital
- Administrative Procedure – Town Council votes on the total amount for each department
- Charter – 45 days from submission to act
- Charter – Council may delete or decrease any program or amounts with the exception of debt service
- State Law – Council cannot place any restrictions on school appropriations and cannot allocate school appropriations among accounts. If the council votes to fund a lesser amount than requested, it is the authority of the Superintendent and School Committee to decide how to allocate the reduced funding.