SECTION 3
BUDGET PROCEDURE

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Budget Process

The Town of Montague operates under state statute MGL Chapter 41, Section 108N which provides for the creation of the Town Administrator position and allows the Board of Selectmen to delegate specific responsibilities to the position. One of the primary responsibilities of the Administrator is to assist in the preparation of an annual budget. These responsibilities are formalized in the job description for the position. The Town Administrator is the Chief Administrative Officer (CAO) of the town and reports directly to the Board of Selectmen, who are the Chief Executive Officers (CEO).

The budget process begins in early October with the preparation of Financial Projections for the upcoming fiscal year. These projections are discussed in a joint planning session with the Finance Committee and Board of Selectmen, and with the Capital Improvements Committee. The projections are used by the town boards in establishing budget preparation guidelines for both the operating and capital budgets. In mid November the Town Administrator distributes his budget guidelines and worksheets to all departments. Department heads then prepare their budgets which are usually due back during the first week of January.

This year the Town Administrator introduced a new management-based budget format that required departments to submit narratives describing the connections between the budget resources being requested and the programs and activities that these resources would fund. Department heads were also asked to discuss how the implementation of these programs related to the achievement of specific town goals. The implementation of this new procedure required the Town Administrator to spend additional time assisting department heads in their understanding of expectations. This required an additional month of time in the budget schedule that probably will not be needed next year.

The ultimate objective of the Town Administrator is to submit a budget to the Selectmen and Finance Committee no later than March 1st, and ideally by February 15th. This will allow the Board of Selectmen and Finance Committee to take full benefit of the research and recommendations contained in the budget document.

Beginning in late January and continuing through the end of March, the Board of Selectmen and Finance Committee hold public meetings to discuss the various department budgets and open the meetings to questions from the public. Meeting notices are posted at least 48 hours in advance. The Finance Committee responsibilities are described in Town By-Laws (Article 2 – Finances, Taxes, and

Appropriations). The town meeting voters are advised on all financial matters by a nine member Finance Committee appointed by the Town Moderator.

Budget Appropriation and Amendment

The Town of Montague has a representative form of town meeting consisting of 126 members from 6 precincts (21 from each). The Town By-Laws (Article 1) require the town to hold their annual meeting on the first Saturday of May. At that meeting, elected members take up and vote upon the budget as part of the annual town meeting warrant. Town Meeting has the authority to appropriate funds for the operating and capital budget except for cases where state statutes or regulations do not require appropriation.

Any amendments to appropriations require town meeting votes at either a regular or special town meeting (Massachusetts General Laws, Chapter 40, Section 5).

The Finance Committee considers all available information including materials submitted by department heads or public and the Town Administrator Budget when developing budget recommendations. These are included in a Finance Committee Budget Report that is mailed out to Town Meeting member at least 10 days prior to the Annual Town Meeting. The Town Administrator Budget is also posted on the town web site during this same time frame.

At Town Meeting, reports and recommendations are presented by the Board of Selectmen, Finance Committee and other interested parties. Town Meeting votes and appropriates the budget and all other financial articles presented at the town meeting.

Budget Basis

The budget for the town is presented on a cash basis. Briefly this means that transactions are recorded when expenditures are disbursed and when revenues are received. Obligations of the town are not reflected as expenditures in the year incurred but are reflected in the year disbursed. Funds for these obligations are reflected as "continued" appropriations from the prior fiscal year.

BUDGET PROCESS

Pre-Budget Planning: Financial forecasts are prepared and distributed
To the Board of Selectmen, Finance Committee and Capital Improvements Committee

October 15 – November 15

All Town Departments prepare and submit Budget requests to the Town Administrator And Town Accountant

November 15 - January

All School budgets are submitted to District Superintendents

Town Administrator reviews budget requests and submits his annual budget to the Board of Selectmen and Finance Committee

December – March 1st

School Superintendent reviews budget requests and submits his/her recommended budget to the School Committee

Board of Selectmen Review

Finance Committee Review

GMRSD and FCTS School Committee review of budget requests.

February – April

Final Board of Selectmen, Finance Committee and Town Administrator recommendations are prepared, published on the town web site mailed to town meeting voters

May

School Committees finalize District recommendations and submit assessment to Finance Committee for incorporation into town budget.

Annual Town Meeting Adopts Budget