

DRAFT: FY2022 Budget Development Calendar for the Town of Montague

This document describes a process, roles, and chronology established by past practice in Montague. (See, for example, this [recap of the budget development process for FY21](#).) While the Town is developing a formal Annual Budget Process policy, we intend to proceed as follows:

November 2020

Initial **proposals for capital requests for FY22** are due to the Capital Improvements Committee. Town departments and the Gill-Montague Regional School District are invited to submit these proposals. *The full list of capital requests for FY22 is usually settled by mid-January; the CIC evaluates each request and makes recommendations for Annual Town Meeting in mid-March.*

Final New Growth and **approved valuation of taxable property for FY21** are determined by the Assessors. They also decide what the **estimate of Abatements and Exemptions (Overlay)** will be. This information is a key component in estimating revenue for FY22.

The Finance Committee and/or the Selectboard ask the Assessors whether they anticipate releasing funds as **surplus from the Overlay account** in the next year. (Because funds released to Overlay Surplus are generally treated as one-time revenue, this could be a potential source of funding for one-time expenses in FY22 or beyond, but would be unlikely to impact the general operating budget.)

The Town Administrator sends the “budget message” to all Town department heads— this contains **guidelines for submittal of their operating budget requests** for the upcoming fiscal year. *This is when departments are told whether to prepare a request that delivers “level services,” or a “level funded” request, or some other approach. Recent past practice has been for all departments to receive the same instructions.*

At the **annual tax classification hearing**, the Selectboard revisits the decision to split the tax rate and decides what the split will be for FY2021 (the current fiscal year). The amount that must be raised in FY21 - the Levy - is already established in

the FY21 budget. *The FY21 tax classification hearing is likely to be scheduled for a Monday evening in mid-late November 2020; it will be advertised and posted according to state law.*

Between the FY21 tax classification hearing (around the 3rd week of Nov this year) and the submission of the FY21 tax recap to the DOR (early Dec), the Finance Committee and Selectboard have an opportunity to **affirm or recalculate Excess Levy Capacity for FY21 and discuss an approach to Excess Capacity for FY22.**

Throughout November and December, the Town Administrator brings **information about substantive changes under consideration for town services/programs** to the attention of the Selectboard and Finance Committee. The departments and committees involved are invited to meet with the committee(s) if the proposed changes will significantly impact their FY22 budget request, or have potential to significantly change the trajectory of their budgets in long-term financial forecasts. *This is an opportunity for departments and committees to get early input from parties who play an influential role in developing the Town's annual budget and who can consider their proposals in the context of financial trends and forecasts.*

December 2020

The Assessor submits the **tax recap (L4)** to the MA Dept of Revenue; DOR approval is needed before the **second half bills for FY21 property taxes** are sent out by the Treasurer/Collector later this month.

The Town Administrator and Town Accountant present a **preliminary estimate of revenue anticipated for FY2022** to the Finance Committee and Selectboard. This presentation typically includes a report on the status of the current year's budget as well as preliminary estimates of revenue for the ensuing fiscal year, and information about challenges and opportunities drawn from historical trends and multi-year forecasting.

Around mid-December, initial **operating budget requests from Town departments, and Board and Committees**, are due. These requests include a line item budget worksheet and a narrative. They are received and reviewed by the

Town Administrator, the Town Accountant, the Selectboard and the Finance Committee.

The preliminary estimate of revenue is used by the Town Accountant to determine and transmit, by December 31st, **the preliminary GMRSD “Affordable Assessment” figure** to the Finance Committee and GMRSD. *The GMRSD uses this estimate of revenue to begin developing its budget for the upcoming year.*

January-February 2021

During this time, the Finance Committee and Selectboard meet weekly in joint session to review and discuss the **FY22 budget requests received from town departments, boards, and committees**. An initial review identifies departments we need additional information from and those that we will ask to meet with us.

Then we review and discuss selected budget requests in scheduled, public meetings. We invite – but do not require - each department, committee and board to participate in the discussion of their annual budget request. *This is the point at which the budget requests for FY22 become public information, and provides an opportunity for the public to weigh in on what has been proposed.*

The Capital Improvements Committee presents the **list of capital requests under consideration for FY22** to the Selectboard and the Finance Committee in January. *The written requests are public information; the Capital Improvements Committee will discuss them at public meetings between now and mid-March.*

The **GMRSD and the Franklin County Technical School typically hold public hearings on their proposed budgets for FY22** in mid-February, at meetings conducted by their respective School Committees. *These hearings are the point at which the school districts’ plans for FY22 expenditures become public information, and provide an opportunity for the public to weigh in on what has been proposed.*

In a typical year in Massachusetts, towards the end of January, **the governor releases a proposed state budget**, which we use as the basis for state aid and assessment figures in the town’s budget.

Also, in this span of time there will likely be a **Special Town Meeting**, where town meeting will consider and vote on additional appropriations for FY21 and other

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matters the Selectboard chooses to place on the warrant. Appropriations of Free Cash, from Reserve Funds, or other sources at this STM could alter the FY22 estimate of revenue and balance of available reserves.

March 2021

The Assessors prepare a **New Growth estimate for FY22** on or about March 1st, which recalculates the figures used to estimate revenue and calculate the Affordable Assessment.

The Finance Committee and Selectboard, representatives of the Town of Gill, and the GMRSD receive from the Town Accountant **final revenue estimates for FY22** and the **final calculation of the GMRSD Affordable Assessment**.

The Finance Committee and Selectboard, representatives of the Town of Gill, the School Committees of the GMRSD and the Franklin County Technical School meet in joint session for presentations by the superintendents and business managers of the two districts. This is the point at which **the two districts formally present the local assessments they are requesting from the two towns**, and describe how those assessments factor into **the budget for each district**. *This meeting may take place after the School Committees of the two districts have finalized their budgets.*

In a joint meeting of the Finance Committee, Selectboard and Capital Improvements Committee, the CIC presents its **recommendations for capital projects to be placed** on the Annual Town Meeting warrant for FY22.

The Finance Committee makes recommendations for **annual appropriations to Reserves and Trust Funds**, guided by the town's established financial management policies, practices, and agreements.

April 2021

In a joint meeting of the Finance Committee and the Selectboard, **each board votes to approve the operating budget** to be recommended to the Annual Town Meeting **and other articles** to be included in the Annual Town Meeting warrant.

The Finance Committee prepares and mails a **report to Town Meeting** that presents the recommended budget for FY2022. Background information for articles on the ATM warrant is included with the report.

May 2021

On the first Saturday in May, Montague holds its **Annual Town Meeting**, where the elected representatives consider and vote on each article, including those that comprise the FY22 budget.

July 2021

FY22 begins of July 1, 2020; **the first of the two local property tax bills for FY22** are mailed out.

September-October 2021

The financial records covering the prior fiscal year have usually been closed by now, and the state budget has typically been finalized. Often at this point in the year, Montague holds a **Special Town Meeting**.