



Town of West Newbury

Board of Selectmen FY '22 Budget Policy Direction

December 14, 2020

To insure the growing and continued financial health of the Town of West Newbury, provide the public with confidence that Town officials respect their responsibility for fiscal stewardship and demonstrate to taxpayers and bond rating agencies that the Town has thoughtfully prepared for its future, the Board of Selectmen present to our employees, Boards, Commissions and Committees the following guidance in preparing the FY22 budget.

1. We propose a FY22 operating budget that will limit the overall increase in the expense budget to no more than 1.5%, not including any school budget increases including related to the Pentucket Middle/High School override. If, in order to meet this budgetary goal, the proposed budget includes any changes in organizational structure, employee head count, hours of operation and/or budgeted level of service, these changes should be specified.
2. We propose that the operating budget specify financial impacts, if any, of COVID-19 on proposed FY22 operating budgets, including as these impacts may vary depending on assumptions made regarding information that is unknown at the time of budget preparation.
3. We will carry out a clear, transparent public process for finance committee and public review of the proposed FY22 budget, taking into account information from taxpayers, town officials, department heads, Boards/ Commissions/ Committees, and residents.
4. We propose to recommend that Town Meeting continue to appropriate retired debt service into the School Stabilization Fund; and that the Town continue to draw-down the balance in that fund in FY22 based on a multi-year plan to mitigate the taxpayer impact of the Middle/High School project.
5. We propose that updates and revisions to the Capital Improvement Program be presented by the Town Manager in accordance with the timeline requirements in the Capital Improvements Committee Bylaw. We propose that the Capital Improvements Committee and the Town Manager evaluate whether an appropriation of \$500,000 from the operating budget into the Capital Stabilization Fund is an appropriate amount when taking into account FY22 and future years' anticipated capital funding needs.
6. In addition to a budgeted transfer within the Omnibus Budget (see Item 5 above), we will propose to transfer into the Capital Stabilization Fund the amount of \$600,000 from Free Cash and/or other available sources to support the Middle Street Bridge project, and will further propose that the recommended FY22 appropriations from the Capital Stabilization Fund be sufficient, combined with other known financing sources, to allow that project to begin construction in FY22.
7. We propose that the Town Manager and Department Heads both continue to consider and expand consideration of potential opportunities to regionalize some town services, if this can be achieved at cost savings while maintaining or enhancing current levels of service, including exploring potential opportunities that may not be ready for implementation in time for FY22.
8. We propose that the FY22 operating budget support a staffing structure for administration and finance operations that is designed to provide adequate staffing to ensure that, whatever other special projects or "crises" may arise, these will not compromise the Town's ability to complete all "baseline" responsibilities as required by various statutes, bylaws and policies.

9. We propose that the FY22 budget should take into account the estimated impacts, if any, of any newly effective requirements imposed by statute, regulation or policy, and should specify the estimated impact of any such newly effective requirements.
10. We propose to consider, within the FY22 budget process, whether the Board of Selectmen will recommend a Free Cash transfer in order to reduce the FY22 tax rate and, if this will be recommended, we intend to propose such an article for consideration at the 2021 Annual Town Meeting.
11. We propose that, for each section of the proposed budget, specify the individual(s) or the Board/Commission/Committee that will have authority to expend the budgeted funds.

Approved by unanimous vote of the Board of Selectmen

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