



Town of West Newbury

381 Main Street

West Newbury, Massachusetts 01985

Angus Jennings, Town Manager

978-363-1100, Ext. 111 Fax 978-363-1826

townmanager@wnewbury.org

TO: Department Heads, Town Officials, Boards/Commissions/Committees
FROM: Angus Jennings, Town Manager
DATE: December 12, 2023
RE: Budget Package: Guidance and Policy Direction for FY25 Budget Process

This Budget Package is intended to provide uniform guidelines to Department Heads and Boards / Commissions / Committees (B/C/Cs) for the formation of the FY25 Town Operating Budget. Please find enclosed the following to support your preparation of a proposed FY25 Expense Budget:

- FY25 Budget Schedule
- Select Board Budget Policy Direction
- Town Manager Budget Guidelines
 - Budget Narrative with Goals and Objectives
 - Line Item Budget Form
 - Salary and Wage Worksheet
 - Article Request Form
 - What to Expect When Presenting an Article or Budget for FinCom Vote
 - Capital Planning Process
 - Expenditure Detail Report: FY22, FY23 and FY24 YTD

My office and the Finance Department will work closely with the Finance Committee, Capital Improvements Committee and the Select Board to manage the budget process in a manner that is consistent with the Town Manager Act (Ch. 97 of the Acts of 2017), Town Bylaws and Policies, and that builds on prior years' budget formats and processes so as to provide you – as the initial preparers of Departmental budget – a clear and familiar process.

One difference to expect in this year's budget process is that we have signed a contract with ClearGov and will be working with this new software to develop an interactive, cloud-based budgeting process. However, because Jenny and I are still working to build out the ClearGov platform with the overall account structure and history, and learning the platform ourselves, it will be up to Department Heads and other budget preparers whether you'd like to key in your initial budget requests through "the cloud" (in which case we'll get you set up with login permissions and training), or whether you'd like to stick with the Excel or paper-based system used in prior years.

We will work to communicate with participants in the budget process on an ongoing basis in order to provide a clear and effective FY25 budget process. If you do have questions, please feel free to contact me, Executive Assistant Rebecca Ambra, or Town Accountant Jennifer Walsh. Thank you.



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FY25 Budget Schedule

December 4	Select Board review/adopt FY25 Budget Policy Direction
December 4	Town Manager draft FY25 Capital Improvements Program (CIP) presented to Select Board; referral of CIP to Capital Improvements Committee
December 12	Budget Package sent to Dept. Heads, Town Officers, Boards, Commissions and Committees (B/C/Cs)
January 11 ¹	Requested FY25 Expense Budgets, and proposed FY25 Capital items, for all Dept. Heads or Town Officers due to Town Manager and Town Accountant
January 18 ²	Requested FY25 Expense Budgets, and proposed FY25 Capital items, for all B/C/Cs due to Town Manager and Town Accountant
January (various)	Review by Town Manager and Town Accountant, including budget working meetings. (Depts. and B/C/Cs will be contacted individually to schedule your reviews, if/as needed)
January 29	<u>Town Meeting Warrant closes (anticipated). Article requests due to Select Board and Town Clerk.</u>
January 30	Pentucket School Committee meeting to review proposed State budget (regarding education) and preview anticipated PRSD school budget
February 6	Town Manager proposed FY25 budget, with budget message and proposed FY25 departmental and organizational structure, presented to Select Board.
February 6 or 12	Select Board referral of proposed FY25 budget to Finance Committee ³
February 8 (<i>anticipated</i>)	Capital Improvements Committee meeting to review proposed Capital Program and FY25 projects. Capital Improvements Committee to schedule 1 or more add'l meetings in Feb. and/or March as needed.
Feb 13	School Committee Public Hearing regarding FY25 Pentucket Budget
Feb-March (<i>Feb 15, 21, 28;</i> <i>March 13, 20, 27</i>)	Finance Committee meetings to review proposed budget. Departments and B/C/Cs will be notified regarding timing of meetings related to your articles & budget section(s). Note: some may be combined with Select Board mtgs.
Feb 27 (<i>anticipated</i>)	Pentucket School Committee to vote Regional School District Assessments
March 18	Capital Improvements Committee report due to Select Board
On/around March 27	Finance Committee Referral of Proposed FY25 Budget to Town Meeting
BY April 15	Posting of Warrants (14 days prior)
BY April 15	Publication of Finance Committee booklet
April 29, 7pm	Annual and Special Town Meetings
May-June	Select Board approval of FY25 Wage/Salary Schedule

¹ If this date presents a problem for any department, please let Angus and Jenny know and we can work with you.

² This date is later than the due date for budgets prepared by Department Heads, to allow extra time for the B/C/Cs (i.e. Library Trustees, Board of Health, Planning Board) to prepare and review proposed budgets. If this timeline is not achievable for any specific B/C/C, please contact Angus and Jenny no later than January 11. (Note: the Water Commission's proposed budget typically comes in later in the cycle. As an enterprise budget, it does not affect the bottom-line operating budget. A water rate public hearing to increase water rates is expected.)

³ Per the Town Manager Act Sec. 4(j): "The [select board] shall review the annual proposed budget prepared by the town manager and make changes as the [select board] deems advisable. The town manager shall present the budget which incorporates the changes of the [select board] to the finance committee and the town meeting." Therefore the budget as proposed to Finance Committee will reflect any changes as may be directed by the Board.



Town of West Newbury

Select Board FY '25 Budget Policy Direction

Approved December 4, 2023

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 Select Board present to our employees, Boards, Commissions and Committees the following guidance in preparing the FY25 budget.

1. We propose a FY25 operating budget that will limit the overall increase in the expense budget to no more than 2.5%, 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 will carry out a clear, transparent public process for finance committee and public review of the proposed FY25 budget, taking into account information from taxpayers, town officials, department heads, Boards/ Commissions/ Committees, and residents. Budget preparation and presentation shall take advantage of the newly acquired grant-funded ClearGov budgeting platform.
3. We propose to recommend that Town Meeting continue to draw-down the balance in the School Stabilization fund in FY25 based on a multi-year plan to mitigate the taxpayer impact of the Middle/High School project.
4. We propose that the presentation of the FY25 operating budget include a section to illustrate post-FY25 operating budgets taking into account both known future costs (including but not limited to debt service based on Town borrowing, and borrowing for which the Town bears some responsibility, such as regarding Pentucket and Whittier Tech debt), and estimated/projected future costs. Estimates or projections of post-FY25 costs should clearly present the assumptions on which they are based.
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 \$600,000 from the operating budget into the Capital Stabilization Fund, as was incorporated in the current year FY24 operation budget, is an appropriate amount when taking into account FY25 and future years' anticipated capital funding needs.
6. We propose that any revisions to budgeted FY25 salary and wages, relative to FY24, shall be primarily limited to contractual changes (i.e. Collective Bargaining Agreements, and employment contracts); and to cost-of-living adjustments (COLA), at a percentage proposed by the Town Manager and approved by the Select Board within the budgeting process. The Select Board will only consider approving a proposed step increase for a non-Union employee if the proposed step increase is based on a recent performance evaluation completed as part of a process that is consistent for all regularly scheduled, non-seasonal, non-Union employees across the organization.
7. We propose that the FY25 budget process identify which Town and/or Water capital project costs or other eligible expenses will be paid in full or in part through the Town's allocation of Federal American Rescue Plan Act (ARPA) funds, with a priority on one-time capital projects and related expenses.
8. We propose that the structure of the FY25 DPW operating budget be revised to reflect the reorganization of the department into separate divisions, as was undertaken during FY24, to ensure clarity in allocation of funds across the different divisions and departmental operating costs.

9. We propose that the amount of the FY25 Legal Services operating budget take into account what amount(s) of next year's projected legal expenses may reasonably be offset through payment from sources other than the operating budget (perhaps including but not necessarily limited to: Elliot Fund; Affordable Housing Trust; and Cable PEG funds).
10. We propose that the FY25 operating budget include a clear statement of what resources it would make available, if any, toward the oversight and maintenance of publicly accessible trails located on Town land and/or within publicly accessible easements. We further propose that the budget estimate what additional funding would be needed to significantly increase available resources toward these functions.
11. We propose that the FY25 operating budget account for projected costs associated with the anticipated execution of new Collective Bargaining Agreements (CBAs) with each of the Police and Dispatch Unions, both having CBAs set to expire at the end of the current FY24.
12. 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 FY25.
13. We propose that Department Heads and Boards/Commissions/Committees review, for programs and services that generate fees, the existing fee structures, their comparability to other municipalities in the region, and the sufficiency of projected fee revenues to cover or suitably offset the underlying town operating costs for such fee-supported programs and services.
14. We propose that the FY25 budget should take into account the estimated impacts, if any, of any newly effective requirements imposed by statute, bylaw, regulation or policy, and should specify the estimated impact of any such newly effective requirements. These estimates should take into account the anticipated impacts of any new statute, bylaw, regulation or policy that is known to affect FY25 or is proposed to take effect during FY25.
15. We propose that, for each section of the proposed budget, the proposed budget specify the individual(s) or the Board/Commission/Committee that will have authority to expend the budgeted funds.

Approved by the Select Board
December 4, 2023

Town Manager Budget Guidelines

- **Budget Narrative with Goals and Objectives**
Initial requested expense budgets should include a Mission Statement for your department(s), and a current statement of goals and objectives for FY25. This should include focus on the cost impact – increase or decrease – of any such goals and objectives. This is also the appropriate section of your budget to respond to the Select Board Budget Policy item 14 (estimating the impact of known/proposed policy changes/mandates on your operations) and item 15 (identifying authorized signer(s) for departmental expenses). This narrative is a great opportunity to highlight for residents the services provided by your department(s) on a year-round basis.
- **Line Item Budget Form** *(available in editable Excel format)*
Please clearly explain ANY changes from the previous fiscal year budget amounts in the notes section provided, and/or in an attached memorandum. THIS WORKSHEET IS JUST A GUIDE. ALL LINE-ITEM DESCRIPTIONS INCLUDED ARE SAMPLES WHICH MAY OR MAY NOT APPLY TO YOUR DEPARTMENT. All proposed expenses should be clearly identified in the notes section and/or in an attached memorandum. For example, if the proposed budget for “Training / Education / Dues” is \$800, the backup information should specify that this is made up of, for example, \$400 for seminars and workshops, \$250 to attend an annual conference, and \$150 for dues for professional organizations. These subset numbers will not be binding through the budget year, but will assist my office and the Finance Committee to understand what is “behind the numbers.” Departments with projected overtime line items must submit documentation of the basis and need for this overtime.
- **Salary and Wage Worksheet** *(available in editable Excel format)*
This worksheet should list all employees in your Department, FY24 budgeted hours and rate of pay, FY25 budgeted amount/year (salary/wages only), and proposed hours, rate of pay, and proposed budgeted amount/year (salary/wages only). For employees with a union or employment contract, budget the contracted amount for FY25. For non-union and non-contract personnel, use the current pay, with no increase for cost of living. Cost of living adjustments (COLAs) will be added to non-union wages at a later date. If you wish to propose a step increase due to changes in a position’s responsibilities, or a proposed step increase, justification must be provided in a separate memorandum. The Town Manager will review all such proposals on a case-by-case basis, and any such changes in pay rate are subject to approval by the Select Board. You will receive prior notice of any public meeting which will include discussion of your department’s proposed budget.
- **Expenditure Detail Report** *(available in editable Excel format)*
My office with the Town Accountant prepared the enclosed report of FY22 and FY23 Budget and Expended, FY24 Budget and Year-to-Date (as of 12/11/23, which was 44.7% through the current fiscal year). On request, the Town Accountant will run a detailed report for your section(s) of the budget showing all expenditures made from your accounts during the current or prior fiscal years.
- **Article Request Form** *(available in editable PDF, Word or Excel format)*
This form is unchanged from last year’s budget cycle. Article Request Forms will be expected for all proposed Town Meeting Articles, even for recurring articles. Article Request Forms may include supporting documentation (basis of estimates, etc.). Departments proposing capital items should work with my office to prepare Form Bs to be provided to the Capital Improvements Committee.

Line Item Budget Form (available in editable Excel format)

**Town of West Newbury
Departmental Expense Budgeting Form**



SAMPLE DEPARTMENT

	FY2022		FY2023			FY2024			FY2025
	Actual Expended	Budget Requested	Budget Approved	Actual Expended	Turn back / Transfers	Budget Requested	Budget Approved	Year to Date Expended	Budget Requested
Personnel									
Salary & Wages	237,551	245,000	245,000	236,520	8,480	245,000	245,000	236,520	
Overtime	28,542	35,000	30,000	26,250	3,750	35,000	29,000	26,250	
Other (incentives, longevity, stipends)	2,000	2,000	2,000	1,850	150	2,100	2,100	1,250	
Sub-Total:	268,093	282,000	277,000	264,620	12,380	282,100	276,100	264,020	0
Expenses									
Advertising	265	500	500	220	280	500	500	385	
Communications	379	500	500	385	115	500	500	385	
Equipment Purchase, Repairs	379	500	500	385	115	500	500	385	
Materials & Supplies	3,750	4,000	4,000	2,650	1,350	5,000	4,000	3,251	
Mileage / Travel	265	500	500	220	280	500	500	385	
Professional / Technical Svcs	3,750	4,000	4,000	2,650	1,350	5,000	4,000	3,251	
Training / Education / Dues	2,835	5,000	5,000	3,251	1,749	5,000	4,000	3,251	
Uniforms	1,350	1,500	1,500	879	621	1,500	1,500	879	
Utilities	265	500	500	220	280	500	500	220	
Vehicle Maintenance	379	500	500	385	115	500	500	385	
Other Expenses	1,350	1,500	1,500	879	621	1,500	1,500	879	
Sub-Total:	14,967	19,000	19,000	12,124	6,876	21,000	18,000	13,656	0
Department Total:	283,060	301,000	296,000	276,744	19,256	303,100	294,100	277,676	0

Please complete the above current fiscal year budget request.
For each line item that varies from prior year actual, provide a detailed explanation below.
Salary and wage detail to be provided on the Salary and Wage Worksheet, attached.

Budget request submitted by: _____

Contact (phone/email): _____

Salary and Wage Worksheet *(available in editable Excel format)*



**Town of West Newbury
Departmental Salary and Wage Worksheet**

Grade	Position	Hrs/Wk (FY24)	Rate (FY24)	Amount / Year	Proposed Rate (FY25)	Proposed Hrs/Wk (FY25)	Proposed Amt / Year (FY25)

Note: Add additional lines if needed.

Proposed Salary/Wages: \$ _____ -

For any salary/wage increases/decreases, provide all relevant information. (prior hours/rate, new hours/rate, approvals received, and reason for request)

Budget request submitted by: _____

Contact (phone/email): _____

ARTICLE REQUEST FORM

ARTICLE:

AMOUNT REQUESTED:

CONTACT PERSON:

PHONE NUMBER:

Why should the town make this purchase? What needs will be met? Who will benefit?

What factors affect the timing of this purchase?

When should this Article be sunsetted--how long will the project take?

What ancillary costs do you anticipate? (Maintenance, Insurance, Training, etc.)

Does this Article involve improvement, preservation or creation of tangible assets and projects which 1) have useful life of at least five years; 2) cost over \$20,000 and or 3) for which the town is authorized to borrow funds? If so, please confirm that this item is on the Capital Improvements Committee Schedule for future capital investments.

Please attach additional pages or other supporting documentation.

What to Expect When Presenting an Article or Budget for FinCom Vote

Under Town Bylaws, the Finance Committee is charged with vetting, analyzing and voting whether to recommend “all Articles in the Warrant, especially those involving the appropriation of money.” We also must present an Omnibus Budget at the Annual Town Meeting. We must prepare a booklet to guide Town Meeting and explain our rationales to the Town. The FinCom takes these responsibilities seriously and works hard to obtain a full understanding of the pros and cons of all matters that come before it.

The FinCom cannot in good faith recommend a proposal that it does not fully understand. To help you help us do our job when you have a matter that will require a FinCom vote, we have prepared this guide, which will be circulated to every Town Department, Board, and Committee approximately four months prior to each Town Meeting.

In preparation for the FinCom to vote on your proposed Article or Budget item, the Town Manager’s office will provide us with requested information, and b) work with the FinCom Chair to schedule a meeting with the Committee. In order to facilitate a smooth process, please:

- 1) Provide any Article submission on the Town Article Request Form and any supporting materials to the Town Manager so that the submission may reach us in a timely manner—and provide summary answers as opposed to “see attached”;
- 2) Provide any proposed budget and any supporting materials (with prior comparative data) to the Town Manager for timely submission to us;
- 3) When we ask to meet with you, make yourself available in time for FinCom to complete its evaluation;
- 4) Provide the Town Manager with any additional written materials, timely for the Town Manager’s distribution of materials to the FinCom at least one week prior to meeting with us;
- 5) Be prepared to answer questions relating to such matters as a) the short- and long-term costs and benefits of your proposal; b) your consultation with/approvals from other affected Town departments, committees, boards; c) the alternatives you considered in developing your proposal; d) your proposed funding source(s); e) your plan to implement the proposal if approved at Town Meeting; f) date for completion/sunset of Article;
- 6) Keep us up to date with follow-up information FinCom may request as well as any changes to or further developments regarding your proposal;
- 7) Recognize that the FinCom booklet – the culmination of months of Committee work – will go to press at least two weeks before Town Meeting, making last minute changes infeasible.

FY24 Committee Members		
<u>Name</u>	<u>Title</u>	<u>Term</u>
Rob Phillips	Chair	through FY25
Daniel Innes	Vice Chair	through FY24
Ross Capolupo	Secretary	through FY25
Jim Sperelakis	Member	through FY24
Ann O’Sullivan	Member	through FY26
Committee webpage: https://www.wnewbury.org/finance-committee		

Capital Planning Process

The role of the Capital Improvements Committee (CIC) is set forth in the CIC Bylaw, and includes consideration of the relative need, impact, timing and cost of proposed capital expenditures and the effect each will have on the financial position of the town. Working with the DPW Director, Chief Fire Engineer, Page School Administration and facilities personnel, Parks & Rec Commission, and other Department Heads and B/C/Cs, my office maintains a database of all known and potential capital items into a consolidated Capital Improvements Program. This is updated periodically, and annually within the capital budgeting process. Specific projects proposed for FY25 funding will proceed through the familiar CIC review process.

The comprehensive Capital Improvements Program is intended to support clear decision-making regarding the comparative costs and benefits of the Town’s capital needs. The CIC review process and recommendations for specific projects will proceed in parallel with the overall budget process.

The Capital Improvements Committee shall study proposed capital projects involving the planning for and the improvement, preservation and creation of tangible assets and projects which:

- 1) have useful life of at least five years;
- 2) cost over \$20,000; and/or
- 3) for which the town is authorized to borrow funds.

The Committee shall consider the relative need, impact, timing and cost of these expenditures and the effect each will have on the financial position of the town. No appropriation shall be voted for a capital improvement requested by a department, board or commission unless the proposed capital improvement is considered in the Committee's report. The Committee shall not fail to report on any proposal that has been properly submitted.

The CIC shall prepare an annual report recommending a Capital Improvement Budget for the next fiscal year, including any items to be funded in the current fiscal year, and a Capital Improvements Program including recommended capital improvements for the following five (or more) fiscal years. The report shall be submitted to the Select Board not later than six weeks prior to the Annual Town Meeting for its consideration and recommendations. The Board shall submit the Capital Budget together with its recommendations to the Annual Town Meeting.

FY24 Committee Members	
<u>Name</u>	<u>Title</u>
Judith Mizner	Chair
Polly McDowell	Vice Chair
Elisa Grammer	Clerk
Paul Niman	Member
Rick Parker	Select Board Representative
Ross Capolupo	Finance Committee Representative
Angus Jennings, Town Manager	Ex Officio
Committee webpage: https://www.wnewbury.org/capital-improvements-committee	

Expenditure Detail Report: 22, FY23 and FY24 YTD

The Town Accountant prepared the enclosed reports of FY22 Budget and Expended, FY23 Budget and Expended, FY24 Budget and Year-to-Date (as of 12/11/23, which was 44.7% through the current fiscal year).

On request, the Town Accountant will run a detailed report for your section(s) of the budget showing all expenditures made from your accounts during the current or prior fiscal years.

*Provided separately to each Department Head and
Board/Commission/Committee*