

TOWN OF BRIDGEWATER

OFFICE OF THE TOWN COUNCIL



Budget & Finance Committee Meeting Virtual Meeting via Zoom® Agenda

Committee Members:

*William Wood, Chair
Precinct 6 Councilor*

*Shawn George, Member
Precinct 3 Councilor*

*Dennis Gallagher, Member
Councilor-At-Large*

Location: Virtual Via Zoom®

To Attend Via Video, Click the Link Below:

<https://us06web.zoom.us/j/84370273487>

Call In: 1-646-876-9923

Meeting ID: 843 702 734 87

Date & November 15, 2021

Time: 6:30 p.m.

Agenda

- A. Call to Order
- B. Public Comment
- C. Budget & Finance Committee and Finance Committee Joint Meeting
 - Resolution R-FY22-002: FY23 Budget Resolution
- D. Adjourn



Bridgewater Town Council

In Town Council, Tuesday, October 19, 2021

Council Resolution: R-FY22-002

Introduced By: Councilor Wood
Date Introduced: October 19, 2021
First Reading: October 19, 2021
Second Reading:
Amendments Adopted:
Date Adopted:
Date Effective:

Resolution R-FY22-002

FY2023 BUDGET RESOLUTION

WHEREAS: A methodical and disciplined approach to the operating budget is warranted.

RESOLVED: Pursuant to establishing guidelines and priorities for the Town Manager to develop the Annual Budget, the Town Council of Bridgewater, Massachusetts in Town Council assembled vote to adopt the following Policy Guidelines for the Town Manager to use in creating the FY 2023 Budget:

The Town Council is adopting these budget policy guidelines pursuant to Section 6-1 of the Bridgewater Home Rule Charter. Based on these guidelines, the Town Manager will develop budgetary goals and the Town Budget for Fiscal Year 2023.

Introduction

The following financial principles set forth the framework for our overall fiscal planning and management of the Town of Bridgewater's resources and are designed to ensure the Town's sound financial condition, now and in the future.

Sound Financial Condition is defined as:

- Cash Solvency - the ability to pay bills in a timely fashion
- Budgetary Solvency - the ability to annually balance the budget
- Long Term Solvency - the ability to pay for future costs
- Service Level Solvency - the ability to provide needed and desired services
- Reserve Solvency – the ability to adapt and respond to economic conditions
 - Capital Solvency – the ability to assess, maintain, and replace our capital assets
- Bond Rating- maintain or improve current bond rating A2

To this end we will adhere to the following financial policies.

Financial Policies and Guidelines:

The Town will adopt their Multi-Year forecast for fiscal years 2023-2027 and a Capital Improvement Program, prior to the submission of the FY Town Managers FY 2023 Budget. This will give the Town a broader more forwarding looking perspective to better understand the budgetary cost drivers and our revenue capacity. Projecting forward will allow us to foresee where a structural deficit may exist when building out our operating budget for the ensuing year.

The following will be applied in preparing the FY 2022 Budget.

1. The town will avoid budgetary practices that balance current expenditures at the expense of meeting future year's expenses, such as postponing maintenance and upkeep of our facilities and equipment.
2. Recurring operating costs will be funded by recurring sources of revenue. In addition, to budget prudently and plan for contingencies the town sets the following reserve objectives for FY 2023:
 - a. Unreserved Fund Balance (free cash) for FY 2023 (07/01/2023) will be targeted at 1.5% of the 2022 operating budget and used only for one-time expenditures such as capital improvements, capital equipment, unexpected or extraordinary expenses such as unbudgeted snow and ice removal expenses and/or to meet the stabilization reserve policy objectives.
 - b. The Town will maintain a Stabilization Fund as its main financial reserve in the event of an emergency, unforeseen circumstances, or an extraordinary need. It shall be the goal of the town to achieve and maintain a balance in the Stabilization Fund equal to 10% of its operating budget.
3. Revenue:
 - a. Revenue Estimating: the revenues will be estimated conservatively, using an objective analytical approach. The goal is to predict revenues as accurately as possible while erring on the side of caution.
 - b. The Town will use methodologies established that best fit the accuracy of specific forecasting, in other words, different methods for different revenue types: Property Tax, Local Aid, Local Receipts, and Other Available Funds.
 - c. Ambulance Receipts Reserved for Appropriation: A five-year forecast will be used to determine available funds to support, proportionately, the ensuing years Fire Department operating budget and capital requirements for the Ambulance Fleet. (See Exhibit A)
 - d. For FY 2023 the projected revenue surplus shall be set at 1.5% of the 2022 operating budget. Revenue surpluses are essential to continue the annual funding of the Stabilization Fund at the 10% level, fund capital purchases of machinery, equipment, and vehicles, capital building improvements, infrastructure and engineering costs, unfunded sick leave buyback, and outstanding OPEB liability.
4. Expenditures: See Exhibit B
 - a. Estimating Major Cost Drivers: This compilation will address the increases necessary to fund the major budgetary cost drivers - salaries and benefits - which support our current service levels.
 - b. Maintenance of Capital Assets: The Town will compile a budget that will maintain capital assets and infrastructure to protect the Town's investment. The Town will compile a budget that will maintain our assets to protect the Town's investment, support and provide services, community, and economic development.

- Mach/Equip/Vehicles
- Software
- Infrastructure
- Land & Land Improvement
- Building & Building Improvements

FY 2023 Town Manger's Budget Objectives

1. Continue the Town's efforts within all departments to obtain grant funding from federal, state, and other sources in order to offset capital expenditures.
2. Review cost implication of contracted services vs. staffing in various departments.
3. Continue to enhance the Town's website and use other technologies as cost effective means for delivering information and services, increasing public awareness, and encouraging public feedback.
4. Submit a budget which maintains the Towns current service level and a budget which will meet the Town Managers service priorities.

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
• Budget & Finance Committee • Finance Committee	• •