Town of Bridgewater

Budget & Finance Committee

December 5, 2023
6:15 PM
66 Central Square
Academy Building
Conference Room 201A/2nd Floor or
via Zoom: https://us06web.zoom.us/j/87805221138

MEETING AGENDA

A. Call to Order

B. Approval of Meeting Minutes

a) November 21, 2023 Meeting Minutes

C. Public Comment

D. Legislation Referred

a) Order O-FY24-017: FY2024 Classification Tax Allocation - Adoption of Residential Factor

b) Resolution R-FY24-004: FY2025 Budget Resolution

E. Public Comment

F. Adjournment of Meeting

Town of Bridgewater

Budget & Finance Committee

November 21, 2023
6:15 PM

MEETING MINUTES

CALL TO ORDER

Councilor Gallagher called the meeting to order at 6:15p.m. The meeting took place in Conference Room 201A, 2nd Floor of the Academy Building and via Zoom.

Council Members Present:
Councilor Gallagher, Councilor George and Councilor Linde. Also in attendance was Town Manager Michael Dutton and Finance Director Laurie Guerrini.

APPROVAL OF MEETING MINUTES – None

PUBLIC COMMENT- None

LEGISLATION REFERRED

a) Order O-FY24-015: Sewer Enterprise Fund

Councilor George made a motion to approve Order O-FY24-015, which was duly seconded by Councilor Linde.

Roll-call vote was taken with the results recorded as follows: Gallagher – Yea; George – Yea; Linde – Yea. Motion passed 3-0.

b) Order O-FY24-016: Transfer Order - Sewer Waste Water Treatment Facility Phase I

Councilor George made a motion to approve Order O-FY24-016, which was duly seconded by Councilor Linde.

Roll-call vote was taken with the results recorded as follows: Gallagher – Yea; George – Yea; Linde – Yea. Motion passed 3-0.

PUBLIC COMMENT

ADJOURNMENT OF MEETING

Councilor George made a motion to adjourn, which was duly seconded by Mark Linde.

Voice vote was taken with the results recorded as follows: Gallagher – Yea; Linde - Yea; George – Yea. Motion passed 3-0.

Meeting adjourned at 6:21pm.

Bridgewater Town Council

Introduced By: Town Manager
Date Introduced: 11/21/2023
First Reading: 11/21/2023
Second Reading:
Amendments Adopted:
Third Reading:
Date Adopted:
Date Effective:

Order O-FY24-017: FY2024 Classification Tax Allocation - Adoption of Residential Factor

ORDERED that, pursuant to G.L. c. 40, § 56, the Town Council of the Town of Bridgewater, Massachusetts in Town Council assembled vote to adopt a residential factor of 1 for fiscal year 2024.

FURTHER ORDERED that; the Town Council authorizes the Chief Assessor to sign the LA-5 Recap relative hereto.

Explanation:
The Town Council shall annually first determine the percentages of the local tax levy to be borne by each class of real property, as defined in section two A of chapter fifty-nine and personal property for the next fiscal year. In determining such percentages, the Town Council, shall first adopt a residential factor. Said factor shall be an amount not less than the minimum residential factor determined by the commissioner of revenue in accordance with the provisions of section one A of chapter fifty-eight and shall be used by the board of assessors to determine the percentages of the local tax levy to be borne by each class of real and personal property.

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
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NOT FOR ACTION - FIRST READING

Attachments: None

Bridgewater Town Council

Introduced By:	Dennis Gallagher, Councilor
Date Introduced:	11/21/2023
First Reading:	11/21/2023
Second Reading:	
Amendments Adopted:	
Third Reading:	
Date Adopted:	
Date Effective:	

Resolution R-FY24-004: FY2025 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 Bridgwater, Massachusetts in Town Council assembled vote to adopt the following Policy Guidelines for the Town Manager to use in creating the FY2025 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 2025 that commences on July 1, 2024.

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 Aa3.

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

Financial Policies and Guidelines:

NOT FOR ACTION - FIRST READING

The Town will adopt a Multi-year forecast for fiscal years 2025 – 2029 and a Capital Improvement Program, prior to submission of the Town Manager's FY2025 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 FY2025 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 2025:

   a. Unreserved Fund Balance (free cash) for FY 2024 (07/01/2025) will be targeted at 2% of the 2025 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 year's Fire Department operating budget and capital requirements for the Ambulance Fleet.
   d. For FY2025 the projected revenue surplus shall be set at 2% of the 2025 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 improvement, infrastructure and engineering costs, unfunded sick leave buyback, and outstanding OPEB liability.

4. Expenditures:

   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. Specifically:

      - Mach/Equip/Vehicles
      - Software
      - Infrastructure

- Land & Land Improvement
- Building & Building Improvements

c. New Program or Initiatives: The Town will budget for new programs or initiatives only after fully funding existing major cost drivers and the maintenance of capital assets.

FY 2023 Town Manager'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 and major initiatives
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 Town's current service level and a budget which will meet the Town Manager's services priorities.
5. Develop a plan that will improve Town (within projected funds) owned roads that are in need of improvements. Understanding that a great deal of roads are in need of repair, present a priority of what road(s) will be a priority for FY25, where funding will include projected Chapter 90 funds, State/Federal grants, and capital funds.
6. Continue to develop and complete the Town's parks/trails and indicate which ones may be completed in FY25 for the residences of the community.

Committee Referrals and Dispositions:

Referral(s)	**Disposition(s)**
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Attachments: None