**Office of the Town Administrator**

Margaret Z. Nartowicz, Town Administrator

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TO: All Departments, Boards and Committees

FROM: **Town Administrator**

DATE: November 5, 2019

RE: Fiscal Year 2021 Budget Process

The FY 2021 budget process is underway. Carefully read the Town Accountant’s enclosed instructions for completing the payroll budget worksheets, budget summary request forms and budget expense detail sheets, and use the attached checklist to be sure your budget request is ready for submission. All worksheets must be fully completed and must include detailed justification to support all FY21 line item requests. Budget requests wholly or partially funded by offset receipts, special revenue or grant funds, or sources other than General Fund revenues must also be submitted.

The deadline to submit budget requests to the Town Administrator for distribution to the Town Accountant, Board of Selectmen and Finance Committee, and for inclusion in the Town’s overall “working budget” spreadsheet is **Tuesday, December 10, 2019 at 4:30 p.m.**

The Board of Selectmen has approved the Personnel Committee’s recommended 1.5% cost of living increase in FY21 for certain employees according to the attached classification & compensation plan, updated to reflect the increase.

Non-discretionary “fixed cost” items such as contract obligations, regional assessments, employee health benefits and utility costs must be identified as such, and relevant contracts and agreements must be attached if applicable. Also attach explanations of the nature of the fixed costs and whether cost or service efficiency alternatives have been or will be sought. All discretionary “non-fixed cost” items in each account line must be itemized, and a list of revenue sources (i.e. taxation, mitigation funds, etc.) requested to fund your department’s budget must be included.

Budget requests that do not comply with budget submission procedures, or incomplete budget submissions such as those with insufficient justification, will be returned to submitting departments for modificationbefore the requests are incorporated into the FY21 working budget document.

Finally, departments must submit documentation on the status of any projects under their jurisdiction, along with outstanding article balances for those projects.

The Finance Committee’s FY21 budget instructions caution that budget requests have significantly exceeded available revenues in the past two fiscal years. All departments, boards and committees are strongly encouraged to consider the limitations of Proposition 2 ½, avoid use of one-time revenues to fund recurring expenses, and review their budgets for service and cost efficiencies before requesting budget increases. Budget request reductions may be necessary if revenues are not sufficient to fundbudgetrequests or if alternative cost efficiencies are identified.Further instructions will be provided to you in the event that budget reductions are necessary.

Departmental budget presentations to the Finance Committee will begin on December 18. Prior to those meetings I will schedule one-on-one budget request review meetings with each department head and chair of any boards and committees submitting FY21 budget requests. Changes to budget requests made after the Dec. 10th deadline must be submitted by email to both the Town Administrator and Town Accountant, and no new budget request changes will be accepted within 24 hours of a department’s budget meeting with the Finance Committee.

**FY18 BUDGET REQUEST SUBMISSIONS CHECKLIST**

*-* ***Please read carefully -***

**BUDGET REQUEST submission forms are attached to these guidelines**. Please make copies of the forms as needed.

* Carefully read all of the enclosed instructions and guidance from the Town Accountant, Finance Committee, Town Administrator, and Personnel Committee
* All budget request forms must be completed in their entirety, and must include detailed written justification to support all FY21 line item requests. A listing of all revenue sources expected to fund the requested budget (outside of taxation) must be attached.
* The Payroll Worksheet must be completed according to the Town Accountant’s instructions and in compliance with the Personnel Committee’s prior approvals.
* Fixed costs must be identified as such, and must include a narrative explaining why the cost is fixed and whether a possible alternative to the request may exist. Contracts must be attached, if applicable.*A town-wide contract database including employment & vendor contracts, service & lease agreements, state grant contracts, etc. is being developed. All Town contracts are statutorily required to be on file with the Town Accountant.*
* Non-fixed cost requests must include detailed justification of need.
* **One hard copy of your fully complete budget request packet, including all completed forms and attached justification, must be submitted to the Town Administrator no later than 4:30 p.m. on Tuesday, December 10, 2019**. An electronic copy of your fully complete budget request packet may also be submitted to the Town Administrator (townadmin@townofberlin.com) no later than 4:30 p.m. on Tuesday, December 10.
* Budget requests that do not comply with budget submission procedures, or are incomplete such as those with insufficient justification attached, will be returned to submitting departments for modification.
* Department heads, board and committee chairs are required to attend their scheduled budget meetings to discuss their budget requests.

*Budget request reductions may be necessary if revenues are not sufficient to fund requested budget increases.*

*The FY21* ***CAPITAL REQUEST*** *submission deadline was November 1, 2019. The Capital Planning Committee is beginning its annual process of reviewing and prioritizing each request that was received by the deadline, and will submit its report and recommendations to the Town Administrator for consideration by the Board of Selectmen and Finance Committee in accordance with the Act and bylaw.*