

**Office of the Board of Selectmen  
Office of the Town Manager**

---



Town of Ayer | Ayer Town Hall | 1 Main Street | Ayer, MA 01432 | 978-772-8220 | www.ayer.ma.us

**MEMORANDUM**

**DATE:** November 9, 2018

**TO:** All Town Boards, Commissions, Committees, and Departments

**FROM:** Robert A. Pontbriand, Town Manager

**SUBJECT:** FY 2020 Budget Preparation Directive and Process

Dear All:

The Town begins the FY 2020 Budget Season from a strong financial position as the result of conservative budgeting, effective management, and an overall favorable financial environment. However, it is important to note that from this position of strength it is essential that the Town continue to exercise a conservative approach to the budget and be ever cognizant of several budgetary variables which could significantly impact the budget (i.e. revenues; the State Budget; health insurance costs; insurance premiums; OPEB liability; increase “fixed” costs”; and the ever present potential for an “unknown” emergency).

Furthermore, the Town has funded significant capital and personnel expenditures over the last five budget cycles. This rate of expenditures is not fiscally sustainable and is not consistent with the Town’s long term budget forecast model as well as the Town’s long term financial outlook. The Town will take a very conservative approach with regard to funding capital projects for FY 2020 with a strict adherence to the Town’s Financial Policies.

Additionally, for this budget cycle all departmental budget submissions will be reviewed and analyzed to identify appropriate budgetary efficiencies and savings. All departmental budget line items will be thoroughly reviewed, including historic spending trends to determine if certain budget line items need to be properly adjusted. Furthermore, Departments will be required to justify certain line item expenditures (especially in the instances of increases) and a cost-benefit analysis will be applied to all budget line items.

The Town Manager and Finance Manager will be meeting with all Departments upon submission of the FY 2020 Budget Requests; prepare a proposed FY 2020 Budget for the BOS and Fin Com and then the BOS and Fin Com will meet in joint session(s) to come to consensus for a budget to be considered by the Annual Town Meeting. The Town will be strictly adhering to all budgetary deadlines set forth in the Town’s FY 2020 Budget Schedule as approved by the BOS.

Therefore, in preparation for the FY 2020 Budget all Boards, Commissions, Committees and Departments are to follow the following directive and timeline:

1. **Prepare and submit a level-funded (from FY 2019) FY 2020 Budget Request to the Town Finance Manager by no later than 12pm (noon) on Friday, December 14, 2018.** Please use the Budget Submittal Sheet(s) which will be provided by the Town Finance Manager. **Any budget requests for FY 2020 that are new requests and/or greater than \$10,000 MUST be clearly indicated on the budget submission sheet AND accompanied by an explanatory memo for the request.**
2. **No new personnel positions are to be submitted in the FY 2020 Budget.**
3. **Do not include any personnel raises including cost of living allowances in your FY 2020 Budget submissions. Only contractual increases are to be included.** The issue of the cost of living allowance will be addressed at a later date.
4. **Upon receipt of all FY 2020 Budget Submissions, the Town Manager and Town Finance Manager will meet with Departments to review and discuss their respective budget submissions. Additionally, the Finance Committee will be establishing a schedule to meet with Departments in January and February.**

**Failure to adhere to these instructions and to meet the December 14, 2018 deadline will result in the FY 2019 budget being used for FY 2020.**

If you have any questions regarding this FY 2020 Budget Directive and/or Process or require assistance with preparing your budget, please do not hesitate to contact the Town Finance Manager ([lgabree@ayer.ma.us](mailto:lgabree@ayer.ma.us)) and/or the Town Manager ([rpontbriand@ayer.ma.us](mailto:rpontbriand@ayer.ma.us)).

The success of the FY 2020 Budget Process depends upon timely submissions and open and effective communication.

Thank you.

Cc: Ayer Board of Selectmen  
Ayer Finance Committee