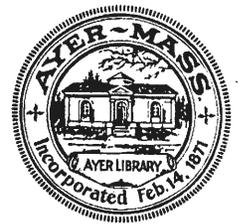


Office of the Board of Selectmen
Office of the Town Manager



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

MEMORANDUM

DATE: November 8, 2019

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

FROM: Robert A. Pontbriand, Town Manager

R.A.P.

SUBJECT: FY 2021 Budget Preparation Directive and Process

Dear All:

The Town begins the FY 2021 Budget Process 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; increased “fixed costs”; and the ever present potential for an “unforeseen” emergency).

Furthermore, the Town has funded significant capital and personnel expenditures over the last six 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 regards to funding capital projects for FY 2021 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. ***I want to stress the importance of this point for FY 2021. All departments will be expected to clearly demonstrate budgetary efficiencies and savings with their FY 2021 budget submissions.*** 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 ALL 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 2021 Budget Requests. **The Town Manager and Finance Manager will be presenting the proposed FY 2021 Budget to a Special Joint Meeting of the Board of Selectmen and Finance Committee scheduled for Monday, January 13, 2020 at 6pm. It will be mandatory for all Department Heads to attend this meeting and be prepared to answer any initial questions on their proposed FY 2021 budgets.** The Board of Selectmen and Finance Committee will then meet and

work with the Administration for the period of January 13, 2020 thru March 9, 2020 to come to a consensus for a final FY 2021 budget to be considered by the Annual Town Meeting.

The budget process will culminate in another Special Joint Meeting of the Board of Selectmen and Finance Committee scheduled for Monday, March 9, 2020 at 6pm. This meeting will also be mandatory for all Departments to attend and participate. The Town will be strictly adhering to all budgetary deadlines set forth in the Town's FY 2021 Budget Schedule as approved by the Board of Selectmen.

Therefore, in preparation for the FY 2021 Budget; all Boards, Commissions, Committees and Departments are to follow the following directive and timeline:

1. **Prepare and submit a level-funded (from FY 2020) FY 2021 Budget Request to the Town Finance Manager by no later than 12pm (noon) on Friday, December 13, 2019.** Please use the Budget Submittal Sheet(s) provided by the Town Finance Manager. **All budget requests for FY 2021 that are new requests and/or increases 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 2021 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 later in the budget process.
4. **Upon receipt of all FY 2021 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 may elect to meet with Departments in January and February 2020 as part of their review and due diligence of the FY 2021 Budget.**
5. **Failure to adhere to these instructions and/or to meet the December 13, 2019 deadline will result in the FY 2020 budget being used for FY 2021.**

If you have any questions regarding this FY 2021 Budget Directive and/or require assistance with preparing your budget, please do not hesitate to contact the Town Finance Manager (lgabree@ayer.ma.us) and/or the Town Manager (rpontbriand@ayer.ma.us).

The success of the FY 2021 Budget depends upon timely submissions and open and effective communication.

Thank you.

Cc: Ayer Board of Selectmen
Ayer Finance Committee