

**ATFC Meeting
October 2017
Budget 101**

“BEFORE THE NUMBERS”

Jeff Nutting, Franklin, MA

- **What is a budget?** Statement of Community Values
- **Whose values** – Goals/vision of BOS/Community? - Does the BOS have an annual goal setting workshop? Is there a three to five year plan, master plan, pavement mgmt., recreation plan, open space plan, water /sewer plan, housing plan?
- I believe the Board of Selectmen should drive the bus, the Fincom gets to recommend the route and the Town Meeting decides if they want to take the trip.
- **What else is a budget – AN ESTIMATE - Life happens**
- **What do you need to prepare a Budget?**
 - Written Fiscal Policies – Free Cash, Debt, Reserves, Enterprise accts, etc.
 - Five year forecast for both annual and capital
 - Trends - financial, school enrollment, building permits, car sales, etc.
 - Learn the Finance laws of the Commonwealth and your own bylaws (this will take time) – Go to Fincom schools, MMA meetings, DLS workshops and online, etc. **DO YOUR HOMEWORK**
 - Understand how your community functions
 - Communications
 - Teamwork
 - An agreed upon process
- **School Budget – Regional/Local - Agree to a number and go away**
- **Keep your eyes on the prize**
 - I spend about 20% of my time during budget development on departmental expenses.
 - Except for a few budgets (DPW, facilities), almost all the money is in wages and benefits.

- If folks want to add a position then the bells go off. If you hire part time staff less than 20 hours a week it is small amount. Other than a little workers comp, Medicaid etc.

If it is full time position you own them for 40 or 50 years - **pension, health insurance, OBEP, benefits, entitlement**, etc.

- **Why do department heads ask for more staff?** Real need, provides better service, CYA, keep the staff happy? Citizens don't call me and said "please, please Mr. Nutting can you increase the staff of the x department. It is more like, When will my sidewalk get fixed or how about a playground?"
- **Don't' punish good depts.** - Well you turned back \$1,000/\$10,000/\$100,000 last year so we are going to cut your budget. Why? This just motivates folks to spend money.

Big Picture

- New folks come along and state "we have to think outside the box". **Not happening.** The system is rigged against big changes. Labor laws, state and local finance laws, politics, parochial thinking, egos and fiefdoms dominate many local governments. Change is much more possible when there is a "Crisis"
- Number of crisis in my 40 plus years NONE – Number of really tough choices due to the ups and downs of the economy (5 or 6). Take advantage of them when they come along.
- Form of Government – Every year I do workshops for several communities on setting goals. It is great to see BOS selectmen develop a game plan. On the other hand I am always astounded at how communities refuse to make changes to make things easier to accomplish their game plan. Communities claim they want efficient and effective gov't but the organization is not set up to deliver to the greatest extend possible.
- Example in Franklin – The employees work for the Town Administrator. We have consolidated Town/School IT and Facilities. Town/School HR share space and services as does the Finance Director/School Business Manager. Planning, Conservation, Building, Zoning, BOH are together.

