

# TOWN OF BRIDGEWATER

OFFICE OF THE  
TOWN COUNCIL



## Budget & Finance Committee Meeting Agenda

**Committee Members:**

*William Wood, Chair  
District 6 Councilor*

*Dennis Gallagher, Member  
At-Large Councilor*

*Tim Fitzgibbons  
District 2 Councilor*

**Location:** Academy Building  
66 Central Square  
Room 201A  
Bridgewater, MA

**Date &  
Time:** November 19, 2019  
6:45 p.m.  
Agenda

- A. Call to Order
- B. Approval of Minutes:
  - November 5, 2019
- C. Legislation Referred:
  - Order O-FY19-057: Directing the Town Manager to Create a Special Reserve Fund
  - Order O-FY20-029: Transfer Order - CPC Funding for Broad Street Property Purchase
  - Order O-FY20-033: Acceptance of a Gift - Bridgewater Savings Bank
  - Resolution R-FY20-005: FY2021 Budget Resolution
- D. Public Comment
- E. Adjourn

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# Bridgewater Town Council

In Town Council, Tuesday, May 7, 2019

Council Order: O-FY19-057

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Introduced By: Councilor Fitzgibbons  
Date Introduced: May 7, 2019  
First Reading: May 7, 2019  
Second Reading:  
Amendments Adopted:  
Third Reading:  
Date Adopted:  
Date Effective:

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## Order O-FY19-057

### **DIRECTING THE TOWN MANAGER TO CREATE A SPECIAL RESERVE FUND**

**WHEREAS**, the Academy Building is a recently renovated building and a great asset to the Town.

**WHEREAS**, ongoing maintenance is essential to the preservation and long-term upkeep of the building.

**IT IS THEREFORE ORDERED**, that the Town Council assembled vote to direct the Town Manager to establish a separate reserve fund for said maintenance on the Academy Building.

Explanation:

*The town should always have an identified source of funds for expensive and ongoing large maintenance projects.*

### *Committee Referrals and Dispositions:*

<b>Referral(s)</b>	<b>Disposition(s)</b>
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# Bridgewater Town Council

In Town Council, Tuesday, October 1, 2019

Council Order: O-FY20-029

Introduced By: Town Manager  
 Date Introduced: October 1, 2019  
 First Reading: October 1, 2019  
 Second Reading:  
 Amendments Adopted:  
 Third Reading:  
 Date Adopted:  
 Date Effective:

## Order O-FY20-029

### TRANSFER ORDER - CPC FUNDING FOR BROAD STREET PROPERTY PURCHASE

**WHEREAS**, the Town Manager has negotiated a purchase of property located on Broad Street for \$475,000;

**WHEREAS**, the property is intended to provide public access and parking for the Stiles and Hart Park, roughly 70 acres of preserved parkland, forest, and water bodies;

**WHEREAS**, to meet this appropriation, up to \$500,000 (Five Hundred Thousand dollars) was recommended from available amounts in the Community Preservation Fund; now, therefore it is hereby

**ORDERED**, that the Town Manager is authorized to expend up to \$500,000 from the Community Preservation Funds Reserve Balance for the purpose of paying costs incidental and related for the Project.

Explanation:

*For several years, the Town Manager has been negotiating the purchase of a 5 +/- acres piece of property off Broad Street to create a proper entrance to Stiles and Hart with formalized parking areas, a trailhead, and signage. This transfer provides funds to purchase the property. State grant funding will offset the cost to the Town in the amount of \$325,974.*

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
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# Bridgewater Town Council

In Town Council, Tuesday, November 5, 2019

Council Order: O-FY20-033

Introduced By: Town Manager  
 Date Introduced: November 5, 2019  
 First Reading: November 5, 2019  
 Second Reading:  
 Amendments Adopted:  
 Third Reading:  
 Date Adopted:  
 Date Effective:

## Order O-FY20-033

### ACCEPTANCE OF A GIFT - BRIDGEWATER SAVINGS BANK

WHEREAS: Massachusetts General Laws, Chapter 44, §53A, states as follows:

“An officer ... of any city or town ... may accept grants or gifts of funds from ... from the commonwealth ... or an agency thereof, ... and may expend such funds for the purposes of such grant or gift ... with the approval of the city manager and city council...;” and

WHEREAS: The Town of Bridgewater has received a financial gift from Bridgewater Savings Bank for the purpose of providing a secure mailbox/lockbox;

Now, therefore, in accordance with Chapter 44, §53A of the Massachusetts General Laws, the Town Council votes to take the following action:

**ORDERED that the Town Council of Bridgewater, Massachusetts in Town Council assembled vote to accept the gift of \$2,500.00 from Bridgewater Savings Bank to expend the gift in accordance with stated purpose thereof.**

Explanation:

*Bridgewater Savings Bank has donated monies to be used for the purpose of purchasing a secure mailbox/lockbox.*

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
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# Bridgewater Town Council

In Town Council, Tuesday November 5, 2019

Council Resolution: R-FY20-005

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Introduced By:	Councilors William Wood and Dennis Gallagher
Date Introduced:	November 5, 2019
First Reading:	November 5, 2019
Second Reading:	
Amendments Adopted:	
Date Adopted:	
Effective Date:	

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## Resolution R-FY20-005

### **BRIDGEWATER'S FY 2021 BUDGET POLICY GUIDELINES**

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 Bridgewater, Massachusetts in Town Council assembled vote to adopt the following Policy Guidelines for the Town Manager to use in creating the FY 2021 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 2021.

#### **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
- Bond Rating-AA

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

## Financial Policies and Guidelines:

The Town will adopt their Multi-Year forecast for fiscal years 2019-2023, prior to the submission of the FY Town Managers FY 2021 Budget. This will give the Town, a broader more forwarding looking perspective to better understand the budgetary cost drivers and our revenue capacity.

- Cost drivers outpacing our revenue capacity determines our ability to deliver town services into the future.
- Projecting forward allows us to foresee where a structural deficit may exist - structural deficit: where the towns cost drivers increase at a pace which exceeds our revenue growth.

These are a valuable component of sound long-term financial estimating practices.

The Town will maintain the historical data and a clear chronology of the budgeted to actual estimates and results. **The following guidelines will be applied in preparing the FY 2021 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 2021:**
  - a. **Unreserved Fund Balance** (free cash) for FY 2021 (07/01/2020) will be targeted at **1.75% of the 2021** 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:** Our Revenue objectives will address the need for diversification and stabilization, revenue estimating, user fee methodology and taxes.
  - 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, for FY 2021 we set the projected revenue surplus to be 1.75% of the 2021 operating budget. Methodologies established that best fit the accuracy of forecasting, different methods for different revenue types: **Property Tax, Local Aid, Local Receipts, and Other Available Funds.**
4. **Expenditures:**
  - a. The budget should consider impact of fixed costs including health insurance, retirement, sick leave buyback, transportation, COLA adjustments/Contractual Step Increases, and other costs and should be treated on a consistent basis with all departments for comparison purposes. **These cost drivers must not outpace our projected revenue growth.**
  - b. Maintenance of Capital Assets: The Town will maintain capital assets and infrastructure at a sufficient level to protect the Town's investment, minimize future replacement and maintenance costs, and to continue service levels.

**FY 2021 Town Manger's Budget Objectives**

1. Continue the Town's efforts within all departments to obtain grant funding from federal, state, and other sources, including the implementation of internship programs.
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 Towns current service level & a budget which will meet the Town Managers service priorities.

*Committee Referrals and Dispositions:*

<b>Referral(s)</b>	<b>Disposition(s)</b>
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