

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:** December 3, 2019
6:45 p.m.
Agenda

RECEIVED
TOWN CLERK'S OFFICE
BRIDGEWATER, MA.
2019 NOV 26 A 11:48

- A. Call to Order
- B. Approval of Minutes:
 - November 19, 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-FY20-034: Transfer Order - Collective Bargaining Agreement Obligation - United Steelworkers
 - Order O-FY20-035: Transfer Order - Collective Bargaining Agreement Obligation -Bridgewater Firefighters Association
 - Order O-FY20-036: Transfer Order - Collective Bargaining Agreement Obligation - Bridgewater Administrators Association
 - Resolution R-FY20-005: FY2021 Budget Resolution
- D. Public Comment
- E. Adjourn



Bridgewater Town Council

In Town Council, Tuesday, May 7, 2019

Council Order: O-FY19-057

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

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:

Referral(s)	Disposition(s)
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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 19, 2019

Council Order: O-FY20-034

Introduced By: Town Manager
 Date Introduced: November 19, 2019
 First Reading: November 19, 2019
 Second Reading:
 Amendments Adopted:
 Third Reading:
 Date Adopted:
 Date Effective:

Order O-FY20-034

TRANSFER ORDER - COLLECTIVE BARGAINING AGREEMENT OBLIGATION - UNITED STEELWORKERS

ORDERED, Pursuant to Section 6-4 of the Town of Bridgewater Charter, that the Town Council of Bridgewater, Massachusetts in Town Council assembled vote to appropriate and transfer from below schedule Source of Funds to below schedule of Use of Funds

SOURCES OF FUNDING				Amount
0100-322000	OVERLAY SURPLUS			\$ 54,660.99
6100-359000	RETAINED EARNINGS			\$ 1,968.55
6200-359000	RETAINED EARNINGS			\$ 1,968.55
6300-359000	RETAINED EARNINGS			\$ 4,285.93
				\$ 62,884.02
USES OF FUNDING				
		FY19 Retro	FY20 Budget Adj	Amount
135 ACCOUNTING	SALARIES & WAGES	\$ 534.58	\$ 571.52	\$ 1,106.10
141 ASSESSING	SALARIES & WAGES	\$ 420.73	\$ 652.90	\$ 1,073.63
145 TREAS/COLLECT	SALARIES & WAGES	\$ 1,545.75	\$ 1,892.28	\$ 3,438.03
155 IT	SALARIES & WAGES	\$ 808.50	\$ 16,716.43	\$ 17,524.93
161 TOWN CLRK	SALARIES & WAGES	\$ 643.22	\$ 1,286.60	\$ 1,929.82
182 CED	SALARIES & WAGES	\$ 322.08	\$ -	\$ 322.08
220 FIRE	SALARIES & WAGES	\$ 380.18	\$ 5,345.54	\$ 5,725.72
240 INSPECT SVC	SALARIES & WAGES	\$ 1,465.51	\$ 3,308.82	\$ 4,774.33
410 ENGINEERING	SALARIES & WAGES	\$ 485.32	\$ 753.16	\$ 1,238.48
420 HIGHWAY	SALARIES & WAGES	\$ 473.21	\$ 788.70	\$ 1,261.91
440 SEWER	SALARIES & WAGES	\$ 565.80	\$ 1,402.75	\$ 1,968.55
450 WATER	SALARIES & WAGES	\$ 565.81	\$ 1,402.75	\$ 1,968.56
510 HEALTH	SALARIES & WAGES	\$ 359.34	\$ 557.73	\$ 917.07
541 COA	SALARIES & WAGES	\$ 862.15	\$ 12,312.69	\$ 13,174.84
630 PARKS & RECR	SALARIES & WAGES	\$ 1,020.57	\$ 1,153.47	\$ 2,174.04
655 OLSGC	SALARIES & WAGES	\$ 1,723.79	\$ 2,562.14	\$ 4,285.93
		\$ 12,176.54	\$ 50,707.48	\$ 62,884.02

Explanation:

Funding of the USW Union Contract Settled and approved 9/3/2019

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
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Bridgewater Town Council

In Town Council, Tuesday, November 19, 2019

Council Order: O-FY20-035

Introduced By: Town Manager
 Date Introduced: November 19, 2019
 First Reading: November 19, 2019
 Second Reading:
 Amendments Adopted:
 Third Reading:
 Date Adopted:
 Date Effective:

Order O-FY20-035

TRANSFER ORDER - COLLECTIVE BARGAINING AGREEMENT OBLIGATION -BRIDGEWATER FIREFIGHTERS ASSOCIATION

ORDERED, Pursuant to Section 6-4 of the Town of Bridgewater Charter, that the Town Council of Bridgewater, Massachusetts in Town Council assembled vote to appropriate and transfer from below schedule Source of Funds to below schedule of Use of Funds

SOURCES OF FUNDING		Amount
0100-322000	OVERLAY SURPLUS	\$ 143,652.00
		\$ 143,652.00

USES OF FUNDING		FY20 Budget Adj	Amount
220 Fire	SALARIES & WAGES	\$ 143,652.00	\$ 143,652.00
			\$ 143,652.00

Explanation:

Funding of the FIRE Union Contract Settled and approved O-FY20-012 9/3/2019

Committee Referrals and Dispositions:

Referral(s)	Disposition(s)
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Bridgewater Town Council

In Town Council, Tuesday, November 19, 2019

Council Order: O-FY20-036

Introduced By: Town Manager
 Date Introduced: November 19, 2019
 First Reading: November 19, 2019
 Second Reading:
 Amendments Adopted:
 Third Reading:
 Date Adopted:
 Date Effective:

Order O-FY20-036

TRANSFER ORDER - COLLECTIVE BARGAINING AGREEMENT OBLIGATION - BRIDGEWATER ADMINISTRATORS ASSOCIATION

ORDERED, pursuant to Section 6-4 of the Town of Bridgewater Charter, that the Town Council of Bridgewater, Massachusetts in Town Council assembled vote to appropriate and transfer **from** below schedule Source of Funds **to** below schedule of Use of Funds:

SOURCES OF FUNDING		Amount
0100-322000	OVERLAY SURPLUS	\$ 26,080.00
6100-359000	RETAINED EARNINGS	\$ 284.00
6200-359000	RETAINED EARNINGS	\$ 940.00
		\$ 27,304.00

USES OF FUNDING		FY19 Retro	FY20 Budget Adj	Amount
141 ASSESSING	SALARIES & WAGES	\$ 778.00	\$ 1,426.00	\$ 2,204.00
145 TREAS/COLLECT	SALARIES & WAGES	\$ 595.00	\$ 1,701.00	\$ 2,296.00
161 TOWN CLRK	SALARIES & WAGES	\$ 767.00	\$ 2,590.00	\$ 3,357.00
182 CED	SALARIES & WAGES	\$ 1,364.00	\$ 2,416.00	\$ 3,780.00
210 POLICE	SALARIES & WAGES	\$ 1,643.00	\$ 3,154.00	\$ 4,797.00
220 FIRE	SALARIES & WAGES	\$ 898.00	\$ 1,654.00	\$ 2,552.00
240 INSPECT SVC	SALARIES & WAGES	\$ 1,918.00	\$ 2,552.00	\$ 4,470.00
510 HEALTH	SALARIES & WAGES	\$ 1,241.00	\$ 1,383.00	\$ 2,624.00
440 SEWER	SALARIES & WAGES	\$ 285.00	-	\$ 284.00
450 WATER	SALARIES & WAGES	\$ 950.00	-	\$ 940.00
				\$ 27,304.00

Explanation: Funding of the BAA Bridgewater Clerical Administrative Union Contract Settled & approved O-FY20-013 9/3/2019

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

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:	

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:

Referral(s)	Disposition(s)
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