Protocol

The Budget Process is Defined By the Charter

By Charlene LaVoie, Community Lawyer

The Spring of 1991 was both the last time the Town Meeting approved a budget on the first try and the last time that the budget process was done correctly. The Board of Selectmen, acting as a policy making body, directed the town manager to fashion a budget which would not increase the mill rate. The town manager, acting as the chief administrative officer, provided the Board of selectmen with the budget requested. The Board presented this no mill increase budget to the Town Meeting, which approved it.

The Board of Selectmen functions as policy setting board, to be the voice of the citizenry, to develop the broad policy goals of the budget based on community input and to direct and guide the manager to meet these goals in the preparation of the budget.

According to Article XI of the Charter, the responsibility to fashion a budget lies with the town manager. This makes sense. It is the town manager, along with the finance director, who deals daily with the finances and operations of the town. During budget time, each department head must provide the town manger with a departmental budget and a detailed estimated of the expenditures and the revenue for that department (Section 1103,1105). It is only through this detailed process that the town manger is able to analyze and evaluate specific appropriations and make decisions about which will be increased, reduced, or eliminated.

Section 1106 states that by March 15th of the year, the town manager must present the Board of Selectmen with the following information:

1. A budget message which outlines the financial policy of the town;
2. A description of the budget plan;
3. Estimates the revenue and expenditures for each department;
4. A list of actual revenue and expenditures from the previous year;
5. Recommendations of the amount to be appropriated for the new fiscal year along with the reasons supporting these appropriations;
6. A program for municipal improvements and cost estimates for these improvements and recommendations of which projects should be done and how they will be financed.

Section 1107 contains the budget duties of the Board of Selectmen:

1. Hold two or more public hearings;
2. Recommend a budget to the Town Meeting;
3. Publish the proposed budget in the newspaper

Section 1108 directs that in the event that the Town Meeting does not adopt the budget the "Board of Selectmen shall resubmit an annual budget as set forth above." This means that the budget process in Sections 1103-1107 must be repeated because it is the department heads, the finance director and the town manager, not selectmen, who are most familiar with the financial aspects of the departments.

Winsted elects a part-time Board of Selectmen. We employ a full-time professional town manager and finance director to manage the financial and day-to-day operations of the town. Citizens have seen too many budget meetings where selectmen, without much basis in fact, try to increase, eliminate, reduce or redistribute money in line items of the budget. This is a bad habit , one which violates the Charter. Winsted adopted a town manager form of government to provide professional management of town operations. The Board of Selectmen must permit the town manager to fashion the budget but provide better guidance in the process by being more responsive to the directives of citizens, who are the final authority on the budget.