



CITIZENS' GUIDE

to the 2019-2020 Budget Process

MESSAGE FROM THE BOARD OF FINANCE

Dear East Haddam Citizens:

We are entering the 2019-2020 budget season, and the East Haddam Board of Finance is encouraging our citizens to participate in the budget process. We published this *Citizens' Guide* as a resource to assist you in understanding how our town develops its budget.

We included a useful calendar with key dates for public hearings and budget workshops. This year we kick-off the budget season with a Tri-Board meeting (Boards of Education, Selectmen and Finance) on Monday, December 10, 2018 at 7 pm at the Nathan Hale-Ray Middle School in the Cafeteria.

The Board at the outset of last budget season established a goal of presenting a budget that would pass at the first referendum. We were successful in this endeavor, and will strive to do the same for the 2019-2020 budget.

Last year the Board of Finance adopted a new approach to the budget process that included two opportunities for public input prior to the Board conducting its review and deliberation on the budget—the Tri-Board Meeting and a Budget Forum. We are continuing with that practice again this year.

The Board established subcommittees to address key areas of concern and to better position us for the future—Communications, Financial Policies and Revenue. These subcommittees have been very diligent in their work. The Communications subcommittee has

published several articles in the *East Haddam News* that



provide insight into financial terminology, processes and general financial information. We encourage you to look for these periodic articles.

The Board of Selectmen reconvened the Financial Needs Roundtable Committee to conduct a long-range analysis of the future capital needs of our community. There are two Board of Finance members serving in this capacity. The work of this committee is vital to long-term planning for our community.

East Haddam remains in a very good place. We live in a town full of richness and beauty and together we can maintain our rural community while encouraging responsible growth and improving public services.

The Board of Finance looks forward to hearing from you, the citizens, during the budget process!

William DiCristofaro
Chairman, Board of Finance

Members of the Board of Finance:

Gregory Lauria, Secretary

Bruce Dutch

Todd Gelston

Tracey Gionta

Harvey Thomas



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UNDERSTANDING THE BUDGET

The annual budget process refers to the proposed plan of expenditures and revenues for a given fiscal year, starting each July 1st and ending the following June 30th, for the town's main operating fund which is also known as the General Fund.

The town budget is broken down into two categories:

Revenue (Income)	Expenditures (Spending)
<ul style="list-style-type: none"> ◆ Property Taxes ◆ Investment Income ◆ Licenses, Fees and Permits ◆ Federal Grants ◆ State and Local Grants ◆ Local Government Payments ◆ Endowment Funds 	<ul style="list-style-type: none"> ◆ Education ◆ Public Safety ◆ Public Works ◆ Recreation and Leisure ◆ Administration and Finance ◆ Health and Social Services ◆ Debt Service ◆ Capital Improvements

The General Fund budget process requires the involvement of many stakeholders in order to develop a responsible budget that provides essential services without imposing excessive costs.

Once complete, the annual budget serves as a policy document that prioritizes the quality and level of services that the town will provide. Likewise, it is a financial plan that authorizes how resources are spent.

The budget process benefits from public input. All budget meetings, workshops and hearings are open to the public and citizens are encouraged to attend.



The Town's 'Household' Budget

Your Household → The Town

Income → Revenue

Expense, spending → Expenditures

Taxes → Mandates, required services

Savings account → Fund balance, reserves

Utilities, food, gas → Utilities, gas, salaries, benefits

Maintenance projects → Capital Plan

Phone, cable, internet → Technology, replacement equipment

Mortgage or rent → Debt service

Loans → Bonds



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THE BUDGET PROCESS

The budget process, which includes board meetings, workshops and public hearings, is an effort to balance how much is needed to operate the town with how much the town can afford to spend.

The annual process, which is typically finalized in April/May, begins many months before and includes a review of the town government and education expenditures and revenue.

The town's budget begins with the First Selectman, working with the Finance Director, receiving budget requests from the various departments, boards and commissions and external agencies. The requests are reviewed and compiled and submitted to the Board of Selectmen (BOS) for budget workshops. At the same time, the Board of Education (BOE) works with the Superintendent, Finance Director and administrative staff to develop a proposed budget for the schools.

The finalized BOS and BOE budgets are presented to the Board of Finance (BOF) at budget workshops. The BOF discusses and deliberates on the proposed budget and holds a public hearing to gather citizen input. After considering all input, the BOF recommends its proposed budget to Town Meeting and ultimately to referendum.

Upon adoption of the budget, the BOF holds a meeting to set the mill rate.

Preparing the budget October-February

- ◆ School administrators submit budget requests to Superintendent.
- ◆ Town Departments submit budget requests to First Selectman.
- ◆ The BOE, BOF and BOS hold Tri-Board meeting to kick-off the budget process and solicit public input.
- ◆ Superintendent reviews budget requests and submits a proposed budget to the BOE.
- ◆ The First Selectman reviews all requests and submits a proposed budget to the BOS.
- ◆ BOS holds budget workshops, deliberates and approves a proposed budget.
- ◆ BOE holds budget workshops, deliberates and approves a proposed budget.

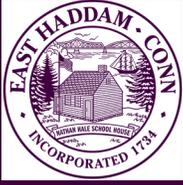
Reviewing the budget March-April

- ◆ BOS and BOE present budgets to BOF at budget workshops.
- ◆ BOF holds budget workshops and public hearings to gather citizen input.
- ◆ BOF deliberates and recommends a proposed budget to Town Meeting and referendum.

Adopting the budget April-May

- ◆ Annual Town Budget Meeting held on proposed budget.
- ◆ Taxpayers vote on budget at referendum.
- ◆ BOF sets mill rate.





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Below are scheduled budget events. All meetings are open to the public. Any changes to the calendar due to weather or unforeseen events will be on the Town's website www.easthaddam.org.

Date	Time	Location	Meeting Description
Mon, Dec 10	7 pm	Middle School Café	Tri-Board Budget Meeting—Boards of Education, Finance and Selectmen
Tue, Jan 8	6 pm	High School Library	Board of Education, Business and Planning Subcommittee Budget Workshop
Tue, Jan 15	7 pm	High School Library	Board of Education, Business and Planning Subcommittee Budget Workshop
Tue, Jan 22	6 pm	High School Library	Board of Education, Business and Planning Subcommittee Budget Workshop
Mon, Jan 28	7 pm	High School Café	Board of Education Budget Workshop
Tue, Jan 29	6 pm	High School Library	Board of Education, Business and Planning Subcommittee Budget Workshop
Sat, Feb 2	9 am	Municipal Office Complex	Board of Selectmen Budget Workshop
Tue, Feb 5	6 pm	High School Library	Board of Education, Business and Planning Subcommittee Budget Workshop
Mon, Feb 11	9 am	Municipal Office Complex	Board of Selectmen Budget Workshop
Wed, Feb 13	4:30 pm	Municipal Office Complex	Board of Selectmen Budget Workshop
Wed, Feb 20	3 pm	Municipal Office Complex	Board of Selectmen Budget Workshop
Sat, Feb 23	7 pm	Municipal Office Complex	Board of Selectmen Budget Workshop, if necessary
Sat, Mar 9	9 am	Municipal Office Complex	Board of Finance Budget Forum
Mon, Mar 11	7 pm	Municipal Office Complex	Board of Finance Regular Meeting—initial budget presentations by the Boards of Selectmen and Education
Sat, Mar 16	9 am	Municipal Office Complex	Board of Finance Budget Workshop
Thu, Mar 21	7 pm	Municipal Office Complex	Board of Finance Budget Workshop
Mon, Mar 25	7 pm	Municipal Office Complex	Board of Finance Budget Workshop, if necessary
Wed, Apr 10	7 pm	High School Auditorium	Budget Public Hearing
Wed, Apr 10	After Hearing	High School Auditorium	Board of Finance meets to set a budget for the Annual Budget Town Meeting
Wed, Apr 24	8 pm	Town Hall	Annual Town Budget Meeting
Tue, May 7	TBD	Municipal Office Complex	Budget Referendum