

Town of Colchester, CT Budget Development Process

The Town of Colchester fiscal year begins July 1 and ends June 30.

The **Annual Town Budget** is developed and analyzed throughout the fiscal year. In many cases, the three-year budget is being worked on in one budgetary year: closing out the previous year's budget, studying and working through the current year's budget, and developing the following year's budget. The process below explains how the new budget is created.

The **Annual Town Budget** comprises two separately reviewed and proposed budgets, a town budget, and an education budget. Each budget is presented to the **taxpayer** and the **Board of Finance** in a set of **Public Hearings**, beginning on the first Tuesday in March. The proposed budgets are **expenditure budgets**; it is the amount of money our community approves of **spending**.

The **Board of Finance** and the **Board of Education** publish a schedule of events beginning in January with dates for the **public** to stay informed of its process. **Budget Forums** and **workshops** allow the most flexibility for **public comments**, while other meetings allow for comments at the beginning and end of the meeting.

The **Board of Education Budget** is first crafted by the Superintendent of Schools, who presents its budget to the **Board of Education** in a meeting in February. Once the **Board of Education** is proposed the budget, they analyze it in regular meetings, and budget workshops (a minimum of two workshops) as needed with the public until a consensus or majority vote occurs. This is the **Education Budget** presented at the **1st Public Hearing**.

The **First Selectman** presents their budget to the **taxpayers** and the **Board of Finance** at the same **public hearing**. This budget is known as the "**First Selectman's Budget** or "**the Town Budget**."

Following the **1st Public Hearing**, on the first Tuesday in March, the **Board of Finance** gains custody of each budget to analyze with the public. The **Board of Finance** may change any department-level amount requested for the **Town budget** and can adjust only the bottom-line total on the **education budget**. The **Board of Finance** will host **budget forums** ahead of regular meetings, and **budget workshops** (minimum of two workshops) as needed with the public until a consensus or majority vote is achieved on each budget.

The **Board of Finance** additionally reviews tax and non-tax revenues, debt service, capital plan, new initiatives, mandates, economic cycles, contracts up for negotiations, vehicle reserve, payroll, obligations, cost of healthcare, historical trend data, updated grand list assessment, tax collection rate, among other budgetary factors. Respectful of our town **finance policies**, such as the **fund balance** and **unexpended fund balance policy** (Board of Education), that ensure the town's needs are met within our ability to pay. These items are considered in collaboration with the budget requests and accomplished in meetings before recommending either budget to the taxpayer.

A **2nd Public Hearing** will be held where each budget will be presented with any adjustments. This will take us to the final step in the budget process of negotiations, where the **Board of Selectmen** will next set an **Annual Town Meeting** and a **referendum date**.

The Board of Finance works with the Public, the First Selectman, the Board of Selectmen, Superintendent(s), and the Board of Education. This collaboration is fundamental to our Budget Process, supported by our form of government and Town Charter. All official budget data is provided at public meetings, with relevant data uploaded to the town website labeled "Town Budget."

12/14/2022

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