

## **BUDGET DEVELOPMENT PROCESS**

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

The annual Town budget is developed and analyzed throughout the fiscal year. In many cases, three fiscal-year budgets are being worked on in one fiscal year: closing out the previous year's budget, analyzing and working through the current year's budget, and developing the next year's budget. The process below explains how new budgets are created:

### **November - January**

Department budgets are created by supervisors and department heads. Needs are assessed and previous years running averages and trends, as opposed to abnormal fluctuations from year-to-year, are reviewed. The First Selectman will receive each of the department's requests, where they will be evaluated and examined.

### **February**

A Public Budget Forum is held in early in the month to obtain input from the Public to provide guidance to the Boards in preparing a budget to be proposed to the taxpayer. The Grand List is provided by the Town Assessor. From this data, the Finance Department and the First Selectman are able to calculate estimated tax revenue numbers for the upcoming year and can begin working on finalizing the Town expenditure budget as well as projected revenues from all other sources.

### **March**

The First Selectman's and Board of Education's Proposed Budgets are finalized and submitted for review by the Board of Finance. Budget meetings are held to examine the proposed budgets. The public is encourage to attend and provide input on the budget's progress at the beginning and end of these meetings. The Board of Finance may change any line item for the Town budget and can adjust only the bottom line total of the Board of Education budget.

### **April - May**

Two budget hearings are scheduled to explain the proposed budgets to the public and accept feedback. A Town Meeting is called to officially present the proposed budgets to the public and is recessed to a Budget Referendum for vote. The process of budget adoption is outlined, by Town Charter, below:

**BUDGET ADOPTION PROCESS GUIDED BY TOWN CHARTER/ORDINANCES**

The Town charter stipulates the process of voting on a final budget, as follows:

1. The Board of Selectmen shall convene a special Town Meeting for the purpose of considering the annual combined Town budget at such hour and at such place as the Board of Selectmen may determine or as the General Statutes may require (the “Annual Budget Meeting”). The Chief Financial Officer, or his or her designee, as well as at least two representatives from each of the Boards of Education, Selectmen and Finance, shall be present at the Annual Budget Meeting and shall be available to respond to questions of the Town voters.
2. At the Annual Budget Meeting, the members of the Boards of Selectmen and Education shall, with respect to their respective budgets:
  - a. Present their proposed budget to the Town voters;
  - b. Have available for review by the Town voters a line-item comparison between such budget and the amount budgeted for such line item in the current fiscal year;
  - c. If feasible, have available for review by the Town voters a line-item level comparison between such budget and the amount estimated to be actually expended for such line item in the current fiscal year; and
  - d. Have available for review by the Town voters a listing of all fiscal year-to-date transfers and amendments made within the current fiscal year’s budget.
3. At the Annual Budget Meeting, the Town voters may reduce, but not increase, the combined Town budget upon the passage of a proper motion. A proper motion shall:
  - a. Stipulate a specific dollar amount for reduction;
  - b. Stipulate the budget to which such reduction shall be charged;
  - c. With respect to a reduction in the budget of the Board of Selectmen, stipulate a specific line item or the specific line items to be reduced; and
  - d. With respect to a reduction in the budget of the Board of Education, only the bottom line may be reduced.
4. If (i) the combined Town budget, as reduced by such proper motion(s), differs from that first presented by more than 2.0% or (ii) the Board of Selectmen’s budget or the Board of Education’s budget differs from that first presented by more than 3.0%, the Annual Budget Meeting shall be continued to a second meeting held no less than two business days following the first meeting. At this second meeting, the proper motion(s) shall again be introduced to and acted upon by the Town voters in attendance. Should the proper motion(s) pass at this second meeting, the proper motion(s) shall become effective and shall be incorporated into the proposed combined Town budget.
5. The Annual Budget Meeting shall automatically be recessed to a referendum to be held on a date determined by the Annual Budget Meeting (the “Annual Budget Referendum”) at the conclusion of the Annual Budget Meeting, at which the combined Town budget, as recommended by the Annual Budget Meeting, shall be presented to the Town voters for final approval or disapproval.

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6. The Annual Budget Referendum is a form of referendum and shall be held on such date as determined by the Annual Budget Meeting. A minimum of two questions shall appear on the ballot for the Annual Budget Referendum. The first question shall require a vote of "Yes" or "No" on whether to approve the budget of the Board of Selectmen (including debt service and capital expenditure budgets) as recommended by the Annual Budget Meeting. The second question shall require a vote of "Yes" or "No" on whether to approve the budget of the Board of Education as recommended by the Annual Budget Meeting. The Board of Finance may, at its discretion, also direct that an advisory question appear on the ballot for either or both budgets. Such advisory question(s) shall require a response of either "Too High" or "Too Low" to describe the proposed level of spending.

### **SPECIAL ADOPTION PROCESSES, AS DEFINED BY TOWN CHARTER**

#### **Special Budget Referendums.**

The Board of Selectmen shall call a Special Budget Referendum for approval of any supplemental appropriation for any Town department which, together with the sum of any other supplemental appropriations approved for said Town department, exceeds 1.0% of the combined Town budget, excluding the budget of the Board of Education. No such referendum shall be called without first obtaining the recommendation of the Board of Finance on such appropriation.

#### **Recount of Annual Budget Referendum or special referendums.**

Should the vote cast at either the Annual Budget Referendum or a special referendum be decided by a margin of less than 2.0% of those electors who cast votes, the vote shall be subject to recount upon the petition of any of the Town voters. During the pendency of such recount, the Town may not take any action whatsoever in reliance upon the outcome of the initial vote count.