



Town of Ashland, Massachusetts

Finance Committee
101 Main Street, 01721-1191

Daniel H. Conroy, Chair
Jack Walsh, Vice Chair
Maribeth A. Morrisey, Secretary

Nancy J. Capistran, Member
Anthony N. Kritikos, Member
Jennifer K. Meade, Member
Perry Trilling, Member

Date: 10/24/2013

To: All Department Heads
Relative Boards & Committees

From: Finance Committee

CC: Anthony Schiavi, Town Manager
Michael Herbert, Assistant Town Manager/Finance Director

RE: FY 2015 Budget

The Charter for the Town of Ashland requires that the Finance Committee provide an initial budget message in November prior to the start of the next fiscal year. Accordingly, we provide the following memorandum and instructions.

The previous administration in conjunction with Boards of Selectmen and Finance Committees did much to right the Town of Ashland's fiscal ship and put the finances in order. This was a significant achievement, especially in light of the significant financial downturn that occurred beginning in 2008 and the subsequent budgetary pressures felt by local governments around the Commonwealth and the nation. While there are indications that we may in fact be emerging from this unfortunate time period, government experts around the country are proclaiming that there is a "new normal" with respect to state and local government finances.

That new normal will be reflected in the FY15 budget. As a result, we find ourselves in the now familiar predicament of projecting moderate increases in revenues, but expenses increasing more. As a result, tough decisions will need to be made over the next several months.

Broadly, for FY15, the Finance Committee will advocate fiscal policies that: A) Continue to improve our reserve position, B) Continue to fund necessary capital improvement projects, and C) Begin addressing structural deficits and long-term liabilities such as retiree benefits.

This year, Town Management has indicated that they wish to change the development, format and presentation of the budget to more of a performance and outcomes-based format. This will require more involvement by the department heads than in previous years. Critical to this philosophy is adopting a *zero-based budgeting approach*. This means that each department head will need to craft a spending plan

for the coming fiscal year that is a combination of both historical spending data as well as future resources needed to reach the goals and objectives in the department.

The Town Manager and Assistant Town Manager will be sending more detailed instructions and forms to each department in early November. Given the new structure of the budget this year, we anticipate several meetings between Town Management and department heads throughout the budget season. The Finance Committee will also be interviewing departments throughout the budget process and will be asking for information to be provided prior to any scheduled meeting. We thank you in advance for your cooperation.

Attached is a calendar that establishes a schedule for certain milestones during the budget season. Finance Committee meetings are posted on the Town's website and we encourage your participation, when requested.