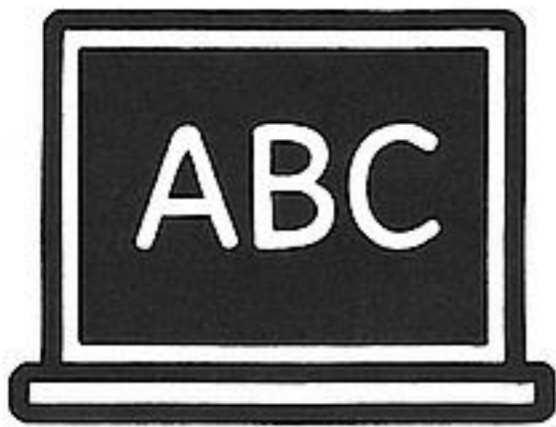


# BUDGET BUILDERS



Department Heads  
& Boards  
Submit requests



School Committee  
Separate budget  
authority for schools

N/A

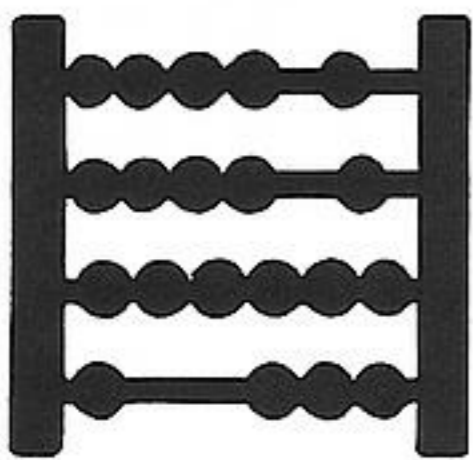
Town Administrator



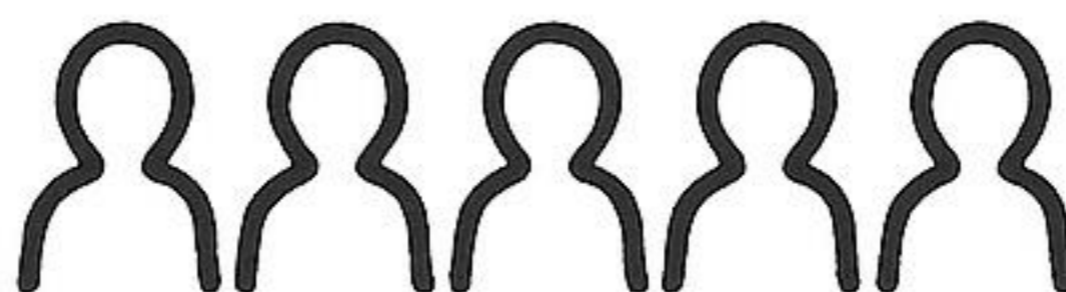
Board of Selectmen  
Sets priorities, considers  
capital planning



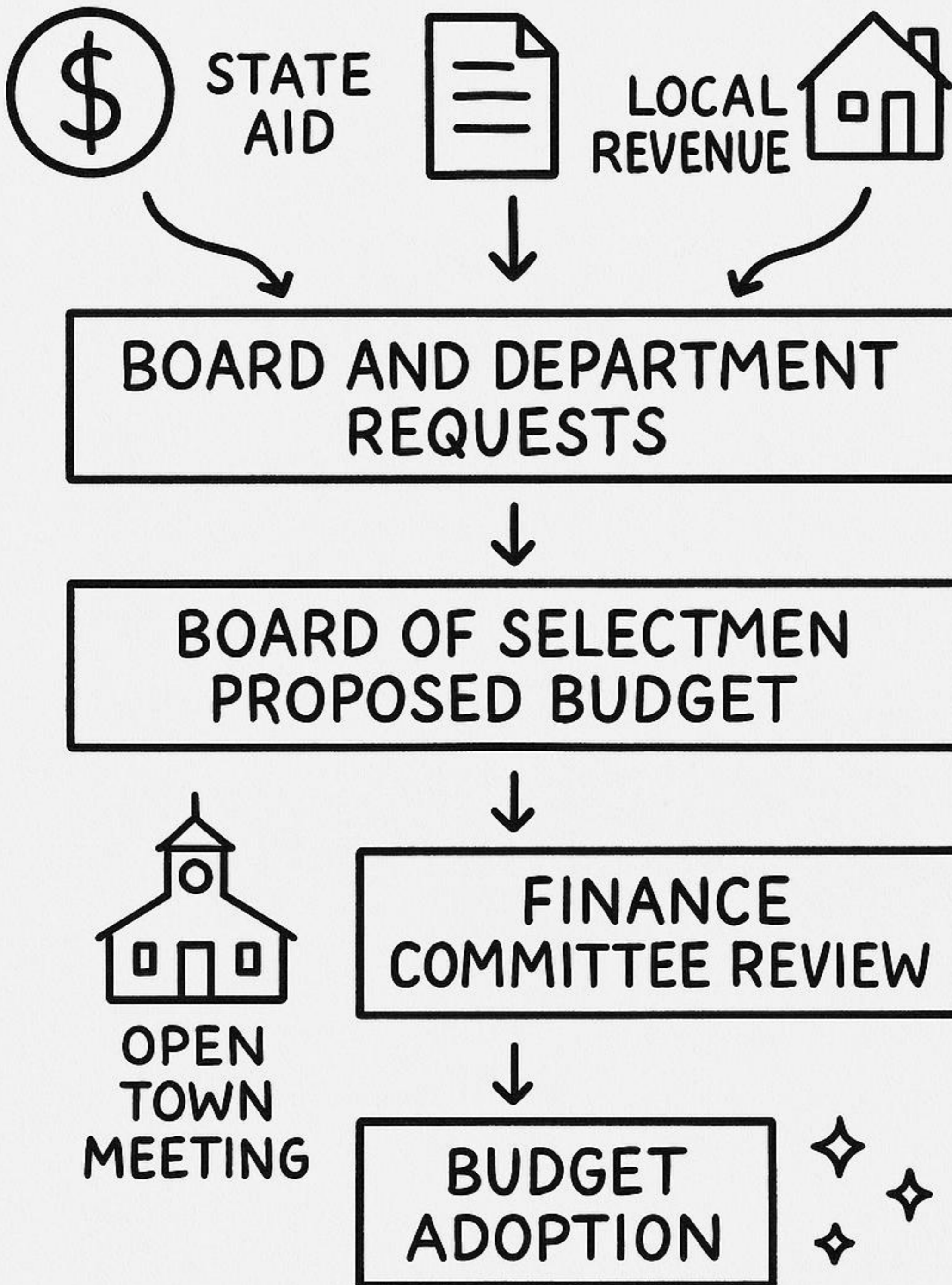
Finance Committee  
Reviews, recommends



Resident Articles  
Taxpayer priorities



# SMALL TOWN BUDGET DEVELOPMENT



how a municipal budget is  
formed in small towns  
in Massachusetts

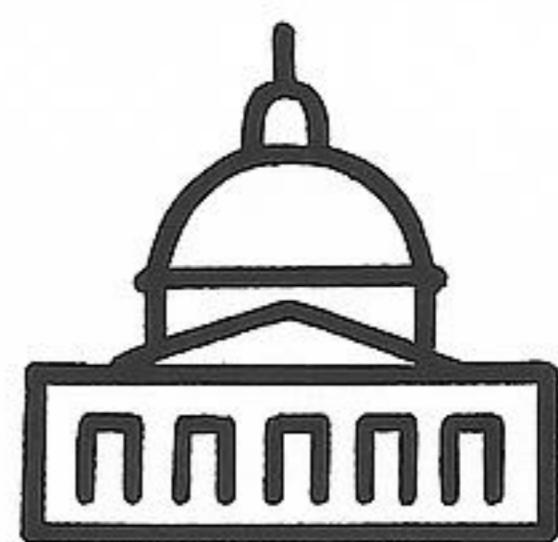
# WHAT BUILDS THE ANNUAL MUNICIPAL BUDGET?



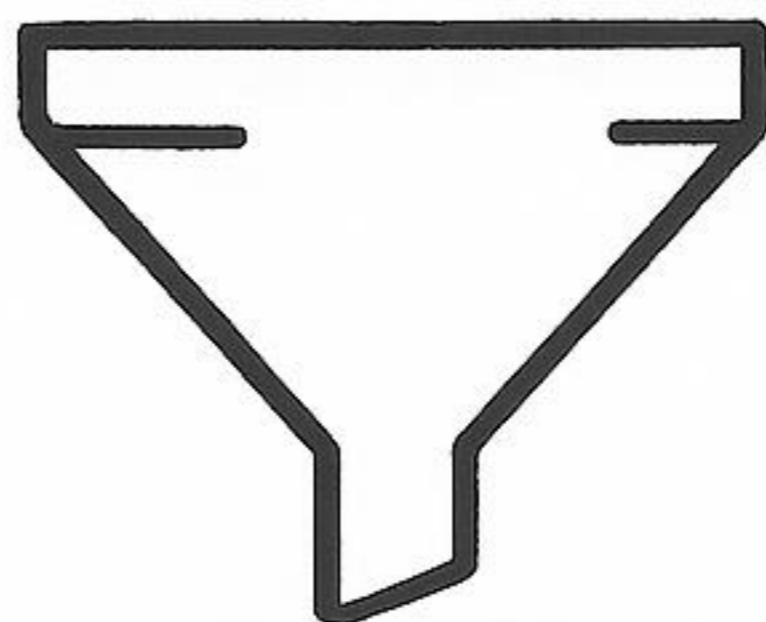
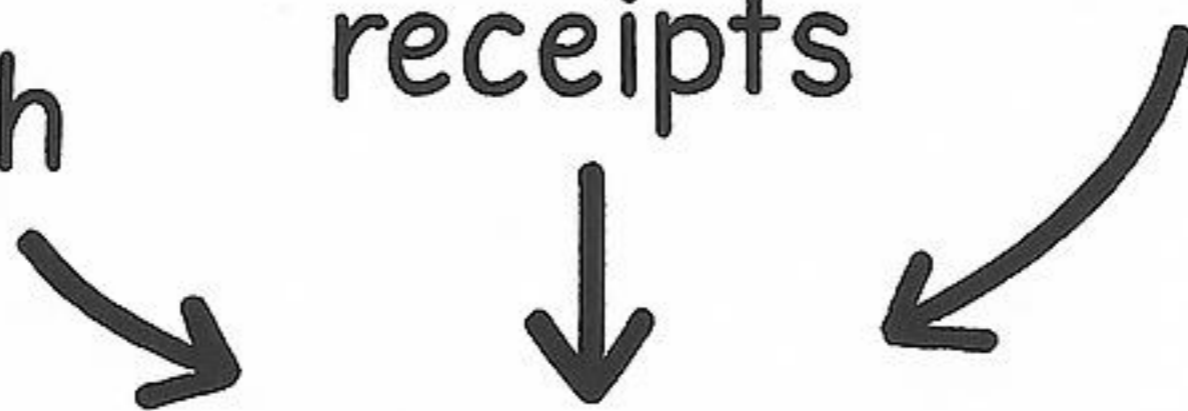
new  
growth



local  
receipts



state aid



annual  
budget



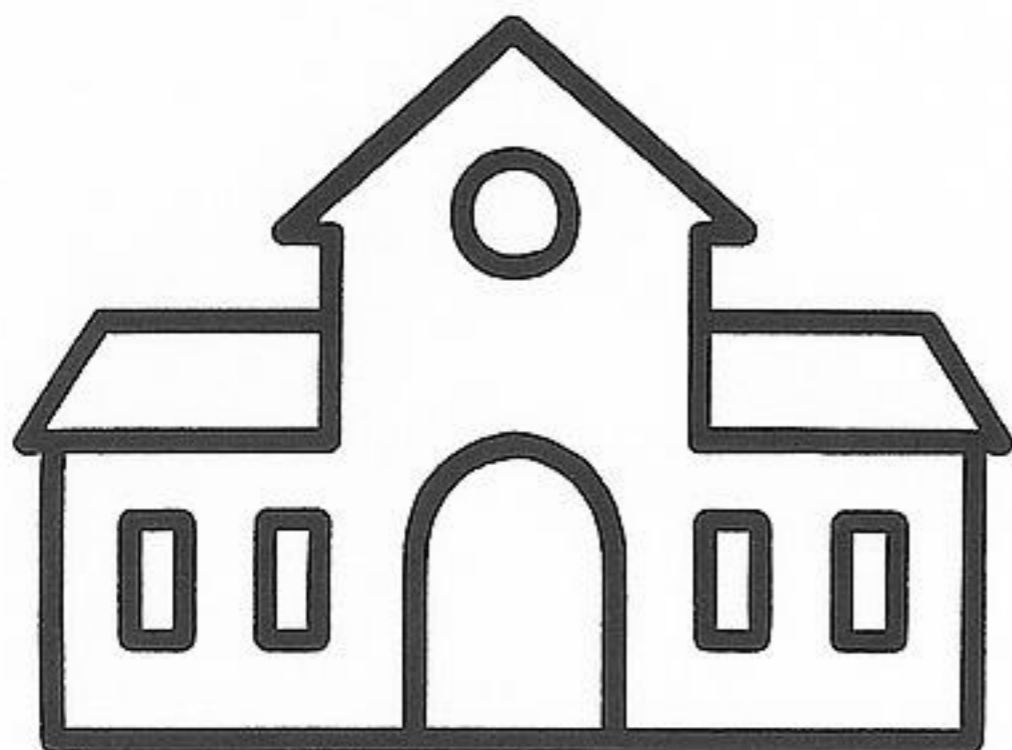
# RESIDENT INPUT



Public  
Hearings  
Residents  
speak up

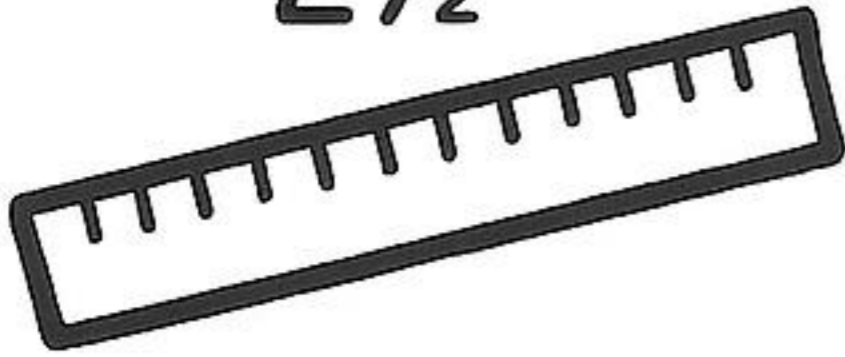


Town  
Meeting  
Final approval



# BUDGET CONSTRAINTS

## Proposition 2½



Limits property tax  
increases to 2%  
per year

## State & Federal Mandates



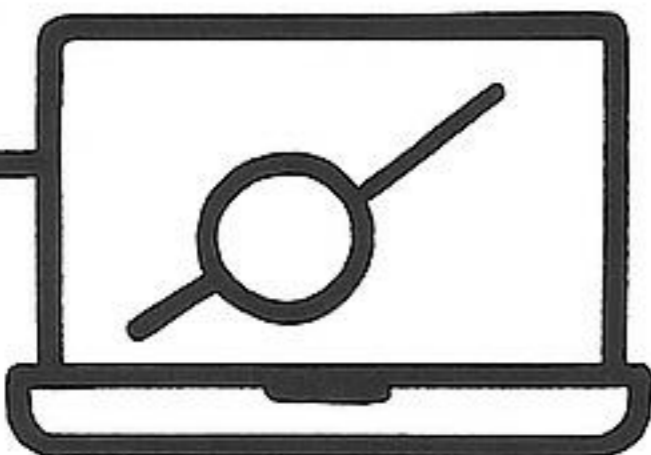
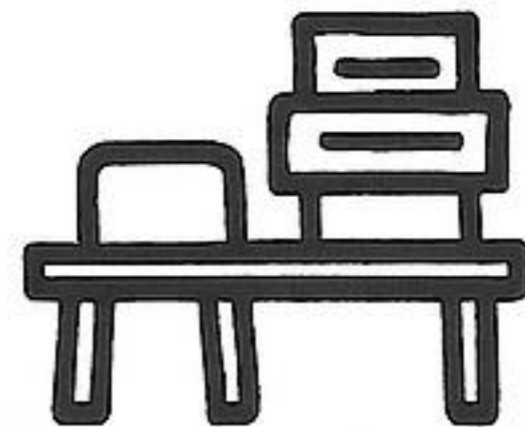
Required services  
with no funding  
attached

## Contracts



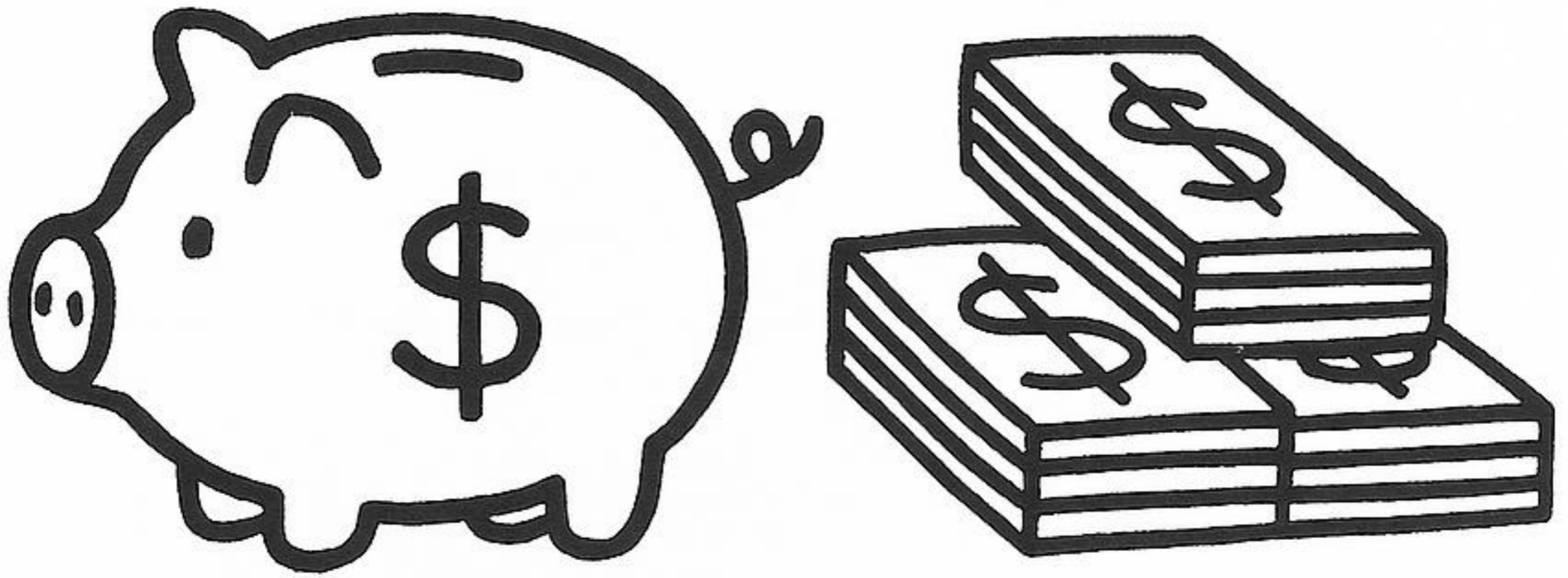
Staffing & pay set  
by negotiation

## Limited Staff Capacity



Too few people  
to meet growing  
demands

# FREE CASH



Free cash is surplus revenue and previously unspent funds.

## STABILIZATION FUNDS

Unspent revenue from prior years can be set aside as stabilization funds for future use.

IN  
MASSACHUSETTS

# TYPES OF STABILIZATION FUNDS



# REVENUE   SOURCES



## PROPERTY TAXES

Largest local revenue source



## STATE AID

Includes Chapter 70 (schools) and UGGA



## LOCAL RECEIPTS

Motor vehicle excise, licenses, fees, permits



## FREE CASH / STABILIZATION FUNDS

Previously unspent funds

# MASSACHUSETTS NEW GROWTH



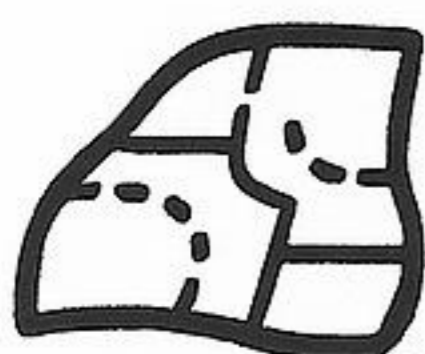
New homes and  
businesses



Renovations



New subdivisions



New personal property



# LOCAL RECEIPTS



Motor Vehicle Excise  
Tax



Licenses and Permits  
Submit requests



Charges for Services  
(e.g., trash, ambulance, recrea-)



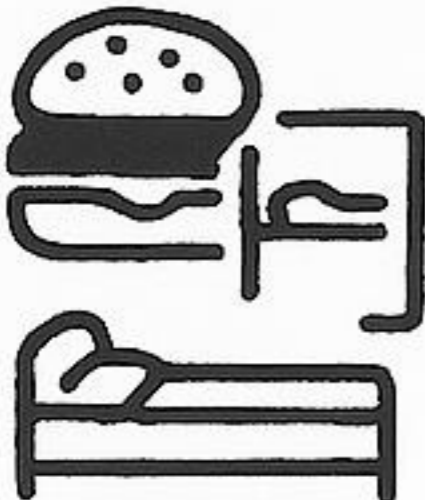
Departmental Revenues  
Investment Income



Penalties and Interest



PILOTs  
(Payments in Lieu of Taxes)



Meals and Room  
Occupancy Taxes  
Not done in Oakham



Other Miscellaneous  
Revenue

# MASSACHUSETTS STATE AID



CHAPTER 70  
AID  
education



UNRESTRICTED  
GENERAL GOVERNMENT  
AID

general support



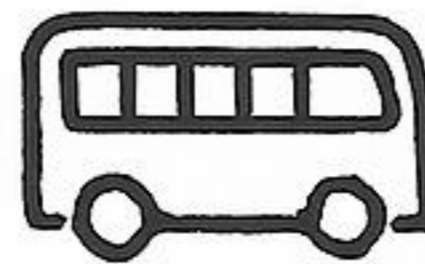
CHARTER  
SCHOOL  
REIMBURSEMENTS  
charter



SPECIAL  
EDUCATION  
CIRCUIT BREAKER  
high-cost special needs



CHAPTER  
90 FUNDS  
infrastructure



REGIONAL  
TRANSPORTATION  
REIMBURSEMENTS  
long-distance  
student transport




SCHOOL  
CHOICE  
AID  
transfers



PILOT  
PAYMENTS  
in lieu of taxes

# PROP. 2½ OVERRIDE

## STEPS IN THE PROCESS

①  Identify the need  
Specific amount,  
for defined purpose

②  Vote by  
Select Board  
Place on ballot

③  Town Meeting  
Approval  
(if needed)

④  Ballot vote  
by residents

Shall the  
town of \_\_\_\_  
be allowed  
to assess  
an additional  
\$[amount] for  
the purpose  
of [reason]?

IF APPROVED

Levy limit  
raised  
permanently

IF REJECTED

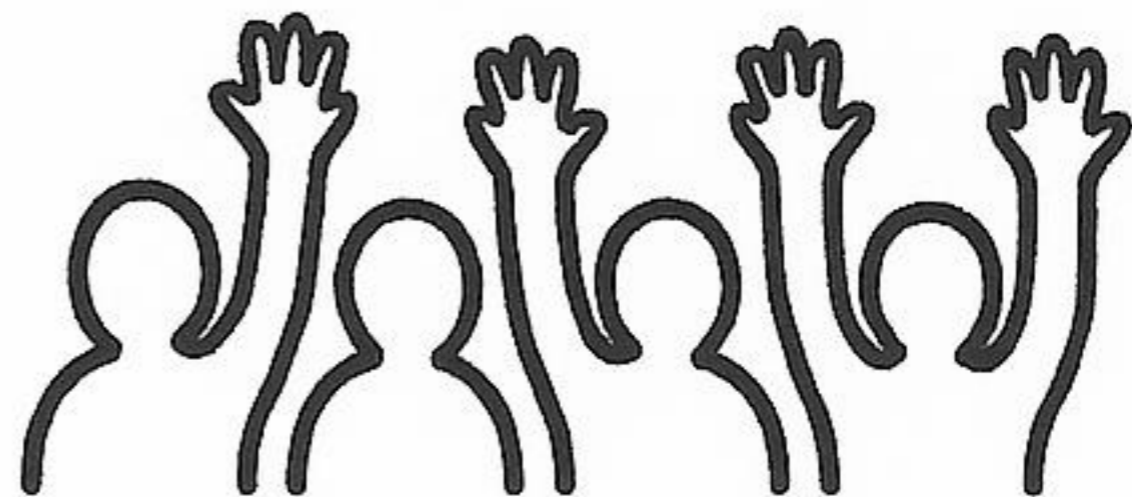
Must reduce  
spending

# TOWN MEETING

- New England tradition of local government
- Residents vote on budgets, bylaws, and projects

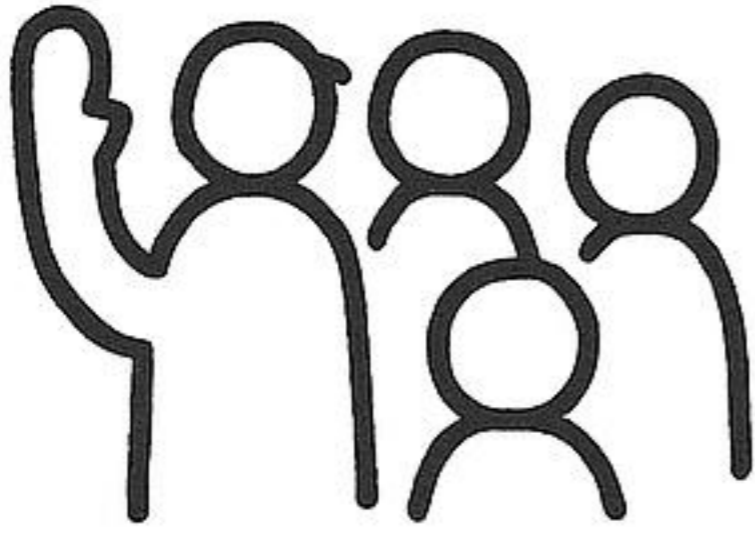


Resident  
Articles



# WHO IS PART OF AN OPEN TOWN MEETING IN MASSACHUSETTS

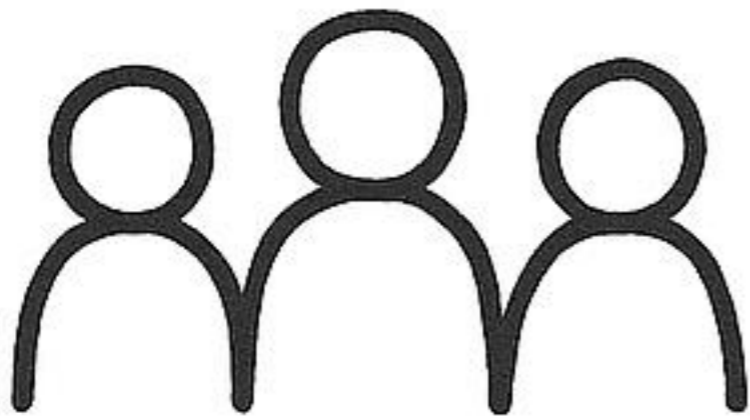
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REGISTERED  
VOTERS  
OF THE TOWN



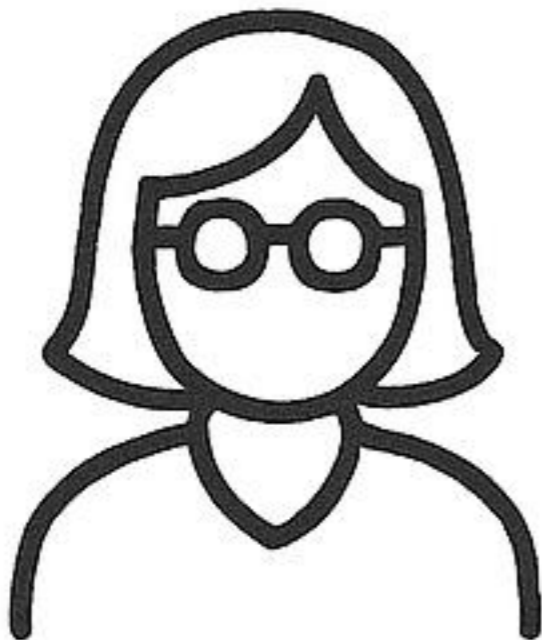
MODERATOR



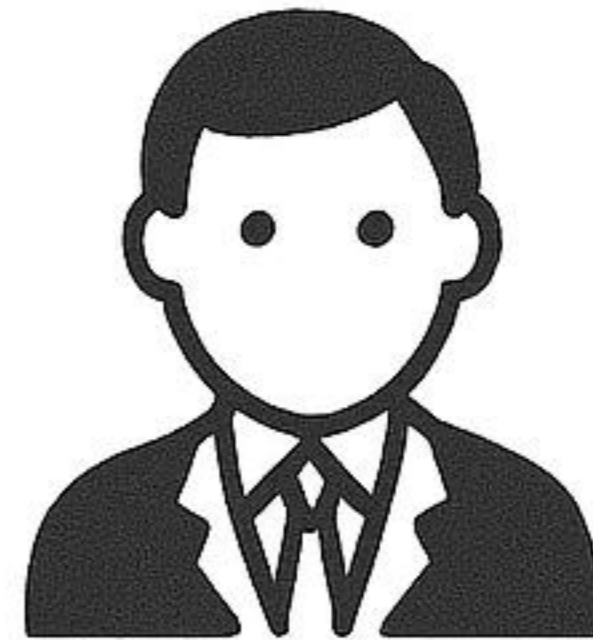
SELECT BOARD



FINANCE  
COMMITTEE



CLERK



TOWN  
COUNSEL