



Legislation Details (With Text)

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Title: Discussion of program-based budgeting transition
Sponsors:
Indexes:
Code sections:
Attachments: 1. finance board solid waste program based budgeting template, 2. crosswalk- finance board solid waste program based budgeting template, 3. Solid Waste Department Overview - Sample, 4. Programs Overview - solid waste template, 5. Cost Drivers and Assumptions

Date	Ver.	Action By	Action	Result
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Summary

To: Finance Board
From: Stefan Massol
Date: 11/16/2017

Subject:
Discussion of program-based budgeting transition

Summary:

In preparation for the fiscal year 2018-19 budget staff will begin incorporating program-based budgeting techniques. As an example, staff will be discussing how this would generally look for the Solid Waste Department and ask for feedback from the board.

Previous Commission Action: None.

Background/Problem Discussion: The town has historically presented the annual budget in terms of the line item amounts to the Finance Board and Town Commission. While the line-item budget is the current means of budgetary control, it does not always show the full picture of how each line-item affects the programs that are funded.

Moving forward, management plans to incorporate a program-based budgeting approach for the town. In this method, budgeted expenditures would be depicted as programs, described in terms of the actual outputs they produce and any related programmatic revenues that they receive. It is staff's hope that this will make it easier for the public to understand the budget that is proposed each year.

As a program is analyzed the personnel, equipment and other related costs would be operationally studied in terms of the actual resources used. This would include hours of labor and equipment as well as amounts of materials and contractual services purchased for each program. Some costs would need to be allocated, such as the cost of electricity, office supplies and management. Staff will be working to develop cost allocation methods that appropriately account for these indirect expenses.

I have attached a rough draft of what a program-based budget might look like for the Solid Waste Department. Staff would like to hear any questions or suggestions the board may have on this budgeting approach.

Expenditure Challenges None

Financial Implications: None

Recommendation: This item is for discussion purposes only.

Proposed Motion N/A.