

Holliston Governance Committee

Fact Sheet on the Fiscal Procedures By-Law Article

What is the Basic Recommendation of the Governance Committee?

- The primary recommendation is to place responsibility for the Town's budget planning and development with the full-time Town Administrator and the Town's full-time financial team, exercising the responsibility of the executive branch of town government.
- The Finance Committee would continue to fulfill its independent review of the financial warrant articles and its recommendations to Town Meeting, exercising its primary statutory role as objective advisor to Town Meeting. The Finance Committee's review of the comprehensive budget would start after the budget was transmitted by the Town Administrator.
- The Town Administrator will consult with the Finance Committee throughout the budget planning and development process.

Why Should Financial By-Laws Be Addressed Now?

- Holliston's operating budget in fiscal 2021 totals \$64.3 million and supports a workforce of approximately 795 employees, a complex and demanding operation.
- The Town of Holliston has not undertaken a comprehensive review of its government structure and efficiency for over 40 years. In that time, local government has become more challenging and demanding, requiring greater efficiency to meet service demands and changing conditions within limited revenue growth.
- Towns throughout the Commonwealth have responded to the growing complexity of municipal government by increasing trained professionals in town management and related structural changes.

Why Should the Town Administrator Have Responsibility for Budget Development?

- The Town Administrator is authorized to "compile the comprehensive annual operating budget and the annual capital improvement program for all town departments, agencies, boards and commissions..." Consequently, all town departments, agencies, boards and commissions are required to "submit copies of their budgets and capital improvement requests to the Town Administrator..." (Town Meeting vote and state Special Act)
- With this budget authority in place, the next logical step is to authorize the Town Administrator to submit the comprehensive operating budget and capital improvement program to the Select Board for its review. The Town Administrator would then transmit both budgets to the Finance Committee for its independent review and recommendations.
- The current Town Administrator has extensive municipal finance experience in two other Massachusetts towns and has demonstrated his collaborative work approach in Holliston.
- The Massachusetts Association of Town Finance Committees' handbook recommends that the executive branch of town government should be responsible for issuing budget guidelines, preparing budget requests and assembling a comprehensive budget for review while the Finance Committee should review and analyze the budget and make recommendations to town meeting. The handbook advises that the Finance Committee not take on the budget making role directly as it would compromise the committee's primary statutory role of objective advisor to town meeting.

Why is the Governance Committee Recommending a Budget By-Law?

- Holliston's current By-Laws are largely silent on the development responsibilities of the budget process, leading to tension among some boards, committees and department heads.
- With the hiring of a new Town Administrator, Holliston now has the opportunity for a professional full-time financial team to plan and develop the budget, subject to independent review by the Finance Committee, in a clear and timely process.
- The By-Law recommendations will establish a structure to ensure the budget process is consistent, effective and sustainable as Town officials, board and committee members change, and provides more transparency in a Town function affecting all residents.

Why Not a Policy Rather Than a By-Law?

- The budget structure authorized by a By-Law requires approval of and represents endorsement by the Town through vote of the Annual Town Meeting. A policy directive could be changed without public notice or Town Meeting approval as officials and committee and board members come and go.

What Process Did the Governance Committee Follow that Produced Its Recommendations?

- Extensive research of By-Laws and Charters of comparable towns in Massachusetts.
- Personal contacts with Town Managers/Town Administrators in 15 of these towns.
- Discussed drafts with Holliston town officials, resulting in numerous changes in final Articles.

What Else is the Governance Committee Recommending?

- Adopted budgets of the School Committee and independently elected Boards would be compiled by the Town Administrator with budgets under authority of the Select Board into a comprehensive proposed budget. The budgets of independently-elected boards would not be subject to approval by the Select Board. (Article 9)
- The Finance Committee would exercise a consulting role in the preparation of the operating and capital budgets. It would independently review all warrant articles, including the operating and capital budgets, and issue its report with recommendations and explanations to Town Meeting. (Article 9)
- A new eight-member Capital Planning Committee would be established to prepare a preliminary capital expense budget and five-year capital program to be presented by the Town Administrator. (Article 9)
- Greater transparency in the budget process would be fostered by requiring the Finance Committee and Select Board to hold public hearings separately on the proposed budget for the ensuing year. The School Committee is already required by state law to hold such a hearing on its budget. (Article 9)
- To provide more time for budget development, the Spring Annual Town Meeting would be set for the second Monday in May, a change of one week. The Fall Annual Town Meeting would be set for the third Monday in October, also a change of one week. (Article 10)
- Establishes a new robust electronic Talent Bank system on the Town's website to provide relevant information about opportunities to serve the Town and identify registered voters who are interested in serving on a town committee, board or commission. (Article 10)