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TOWN OF SOUTHAMPTON

To: Department Heads / Boards / Committees

From: Scott Szczebak, Town Administrator

Date: November 14, 2024

Re: FY 26 Preliminary Budget Process

The FY 26 budget process will look a little different from years past. Our goal is to standardize the process, increase transparency, remain fiscally prudent and meet the growing needs of the Town of Southamptton. Please bear with us during this transition and feel free to offer any suggestions, comments or recommendations on how to improve the process.

FY 26 Preliminary Budget

At this point we are forecasting another very tight budget year due to increased costs of goods and services and stagnant local aid on the revenue side. The Select Board expects to present a total budget package at the Annual Town Meeting which stands on its own without an override. With this in mind, we request your cooperation and support when developing the FY 26 budget. Please submit a preliminary **level services** budget by December 19, 2024, if not sooner. This will be funding required for maintenance of the department's **current level of services**.

The budget process is starting earlier this year, and there will be some changes to past practices. That is why this will be considered a **preliminary** budget.

What does this mean in practice?

- In other words, this budget should be reflective of the actual costs associated with offering the same level of service and operations for the upcoming fiscal year. In order to accurately determine this cost, please refer to historical budget data, updated quotes and contracts, revenues and estimates in rising costs. Please do not simply carry over last year's budget amount or increase an item by a fixed percentage.
- This does not mean that you should budget exactly "to the penny" for all expenses. A **reasonable** and **responsible** amount should be incorporated for unforeseen, unexpected or incidental costs that are not apparent during the budget process. Costs necessary for the maintenance and protection of Town assets should also be included.
- As we have recently discussed, this process will be similar to using a "zero-based" budget process.

Personnel Costs

For planning purposes ONLY, please assume a step increase and a COLA adjustment of 2.5% to the wage scales for non-union employees. Please use the updated FY 26 wage scale charts found in the shared FY 26 Budget folder.

These personnel cost estimates for non-union employees will only be considered placeholders for changes to the compensation plan in December and January. They are **not** the results of the classification survey.

If your budget includes contractual or union salaries, please include the actual costs for those positions.

Any change in hours, new positions or requests for additional compensation should be explained in your budget narrative.

Revenues

A major component of the budget submission this year will be a review of the fees charged by municipal departments for services. You will be asked about this when the meetings are held with the Town Administrator. Please review fees charged for services to be sure your departments fees are comparable to those charged by similar departments in other towns.

In your budget submission, please include a copy of your most recent/current fees and charges.

The following questions will be asked:

- Are any increase in fees justified?
- Are there services for which we could be charging fees, but we are not currently?
- Do the fees cover the costs of providing the service?

Forms and Website

This year we are transitioning to a new style of budget forms. Please make sure to check the shared folder and/or new budget website that will be located under “GOVERNMENT” on the Town’s website.

Budget Narrative

This new narrative will help decision makers, and the public better understand the highlights, changes and challenges of your department. Additionally, please focus on how your budget requests meet your department’s goals and objectives for FY 26.

These narratives should be concise, factual and data driven.

Budget Book

This year, we will be presenting the budget to Town Meeting and the public using a “budget book”. The goal is to be more transparent in the process and to make the information more accessible and understandable for the public.

We are asking each department with a budget to submit a set of statistics that will help explain or highlight your department’s work, goals, revenue, etc. These statistics will be used to create graphs and charts for each department. Please submit the following:

- Four to five data sets that cover the past several years.
- Accurate, relevant and interesting data sets.
- Keep in mind who your audience will be. Please use statistics that can be easily understood and will be helpful to people who may not have an in-depth understanding of the minutia of your department, board or commission.
- Some examples: the number of ambulance calls, library usage, number of building permits, election participation, etc.

I have attached some excerpts from other communities as inspiration on what a budget book may look like.

Capital Requests

Capital requests will need to be submitted at the same time as your preliminary budget. The forms and process will be the same as previous years.

Important Dates

Departments will be asked to submit all budget materials through the shared network folder: Town of Southampton – General > FY 26 Budget > FY 26 Departmental Budgets

Boards/Committees will be asked to please send all budget materials directly to sszcebak@townofsouthampton.org and CC the Town Account at bokscin@townofsouthampton.org.

November

Tax Classification Hearing	Tuesday	12
<i>Budget Goals and Guidance Distributed</i>	<i>Thursday</i>	<i>14</i>
Board/Committee Budget Workshop	Thursday	14
Department Head Budget Workshop	Thursday	14
Start capital requests	Thursday	14

December

<i>First Budget Requests Due</i>	<i>Thursday</i>	<i>19</i>
<i>Budget Book 1st Drafts Due</i>	<i>Thursday</i>	<i>19</i>
<i>Capital requests due</i>	<i>Thursday</i>	<i>19</i>

January

Town Administrator Budget Meetings	Tuesday	7
Town Administrator Budget Meetings	Thursday	9
Town Administrator Budget Meetings	Tuesday	14
Town Administrator Budget Meetings	Thursday	16