

## MEMORANDUM

**TO:** Finance Committee  
**FROM:** Sarah Reeves, Executive Director  
**DATE:** October 31, 2025  
**RE:** Budget Process Outline

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### **SYNOPSIS**

CSWD's Municipal Charter, Article IV *ANNUAL BUSINESS AND ASSESSMENTS* describes the process the District must follow each year in order to establish an annual budget. CSWD's Charter requires the Board of Commissioners to prepare a budget by December 1 for the subsequent fiscal year, to hold a hearing on that budget by January 31, and to transmit the proposed budget to the District's member cities and towns legislative bodies for approval.

### **PROCESS**

The fiscal year begins July 1 and ends on June 30. We are required to prepare our fiscal year budget by December 1 for the following fiscal year beginning July 1. This is so our member cities and towns have adequate notice of any fees or assessments from the District that may need to be included in the members' individual municipal budget, as most of our members pass their budget during Town Meeting Day in March.

CSWD staff and managers begin preparing the draft budget in early September. The draft proposed budget is presented to the Board at the November full Board meeting, to meet the December 1 deadline.

The Charter requires that a public hearing on the proposed budget be held not later than January 31. Current practice is to hold the public hearing on the same night as the January full Board meeting, however the public hearing may be held at any time between December 1 and January 31. The hearing must be warned separately from the Board meeting and published in "a newspaper of general circulation" in each member municipality at least 15 days prior to the hearing. The warning/notice must contain a copy of the proposed budget, current practice being to publish the draft budget "roll-up", that is, all accounts rolled up to their headers and showing Income, Revenue, and Net/Loss. Each member municipality must receive a copy of the notice and a copy of the proposed budget by that same 15-day deadline.

## **BOARD RESPONSIBILITIES**

Staff gathers the comments received by the public and incorporates the comments into the budget workshop presentation to the Finance Committee. Recent practice has been for the Finance Committee to meet for an all-day session to review the proposed budget in line-item detail with budget managers, the Director of Finance, and the Executive Director. Staff answers questions from the Finance Committee and receives input and guidance. Where needed, staff then adjust the draft budget and prepare a second draft for full Board review and approval. If there are significant changes needed to the draft budget, a second review may be conducted by the Finance Committee.

The revised draft budget is presented to the full Board at the next meeting following Finance Committee review. The Board reviews the proposed budget in light of comments received and recommendation by the Finance Committee, and votes to approve the budget for adoption. If the budget is not approved, it can be sent back to staff and the Finance Committee for additional revisions. The budget must be approved by a majority of the Board.

Once the Board approves the budget, it must immediately be transmitted to the member municipalities' legislative bodies, who have 45 calendar days to act to approve or disapprove the District's proposed budget.

## **MEMBER RESPONSIBILITIES**

The budget shall be approved and adopted if it is approved by the legislative bodies of a simple majority of the member municipalities. For such purposes, each municipality shall be entitled to one vote, with ten of the eighteen member municipalities constituting a majority.

Current and past practice has been for the Executive Director to personally present the approved budget to each member legislative body to ask for approval and answer questions. This requires coordination with city and town staff to secure a slot on their meeting agendas within the 45-day deadline. If a member municipality fails to act within the 45-day timeframe, the budget is considered approved by that municipality.

If a municipality disapproves the budget, they are required to submit to the District a written statement of objections identifying specific items to be changed. Failure to file such a statement within the original 45-day period constitutes approval by the municipality.

Voters of Chittenden County also have a right to oppose the District's budget, and the Charter outlines the specific process by which voters must follow in order to hold a special meeting to disapprove the budget.

If the budget is not approved by June 30, the current fiscal year budget constraints will remain in place for the following fiscal year until such time that a new budget is approved and adopted.