

Town of Windham, Maine
Strategic Planning for Budgeting Policy

Introduction:

The town is required to adopt a budget annually for current and capital expenses (Charter, Article V.) A budget is a plan for what the town intends to do for any given fiscal year expressed in terms of dollars and cents. In order to:

- ensure a degree of consistency and predictability in the budget from year to year,
- identify issues and set goals responsive to the needs of the community,
- maintain focus on those goals and measuring progress toward their achievement, often extending beyond any one fiscal year, and
- provide guidance to the town manager in preparing the annual budget,

the Council has adopted this policy on strategic planning and budgeting.

Purpose:

The purpose of this policy is to establish a process for periodic strategic planning for the town, incorporating community input, elements of various other plans adopted by the town, and Council-identified goals, and incorporating those into the town's budget process, providing a multi-year plan for both operating and capital expenses.

Policy:

1. It is the policy of the Town of Windham to conduct strategic planning efforts and to adopt strategic plans covering periods of not less than three (3) nor more than five (5) fiscal years, except for the plan adopted along with this policy. As a guide, though the actual steps and sequencing may vary from cycle to cycle, the strategic planning effort should include or address the following:
 - a. Define/agree on the process and timeline.
 - i. Identify stakeholders and their respective roles.
 - ii. Incorporation of other adopted or otherwise relevant plans.
 - iii. Community engagement process.
 - b. Conduct an environmental scan/SWOT analysis.
 - i. Consider forces and trends outside the organization – economic, social, demographic, technological, public policy, etc.
 - ii. Consider current organizational performance, resources, processes, and outcomes.
 - iii. Identify critical success factors necessary to the future and continued success of the organization.
 - iv. Review/formalize organizational principles to guide decision making.
 - c. Identify strategic issues, i.e. key issues, questions, and choices to be addressed.
 - i. Evaluate issues, reasons to address them and consequences of not addressing them.
 - ii. Prioritize issues in terms of importance, timing, and feasibility.

- d. Review/define mission, vision, and values for the organization.
 - i. Incorporate the community's vision from the comprehensive master plan.
 - ii. Develop the organization's vision to reflect the shorter time horizon of the strategic plan (three to five years versus ten years).
 - e. Develop goals to be achieved within the time horizon of the strategic plan, which may be shorter-term milestones toward achieving longer-term goals.
 - f. Identify strategies for reaching goals and addressing issues identified in the environmental scan.
2. The actual process, steps, and timeline for each strategic planning cycle should be the product of discussion by the town manager, staff, and Council, and approved by the Council for inclusion as part of its goals in the last year of any given plan cycle. For example, if a strategic plan is to cover the fiscal year beginning July 1, 2018, it should be adopted by the Council by October 1, 2017, and the plan development process designed accordingly.
 3. The strategic plan in place for any given fiscal year will form the basis of the town manager's proposed municipal budget, prepared and submitted for the Town Council's consideration under Article V of the Charter. Goals and objectives included in the plan for any given fiscal year should be included in the manager's budget submittal.
 4. The manager's budget submittal should incorporate previously adopted capital plans including, but not limited to, the capital equipment replacement plan, capital buildings and facilities improvements plan, and capital land and facilities improvements plan.
 5. Variations from the strategic plan or approved capital plans should be highlighted and discussed in the manager's budget submittal.
 6. To aid in longer-term operating and capital budget planning the Council's finance committee, along with the town manager and staff, will develop and maintain a multi-year budget model projecting operating expenses and approval capital expenditures for a period of not less than five (5) years.

Adopted October 13, 2015 (Order 15-153)