**Budget Questions and Requests for Information**

**2018-19 Recommended Budget**

**Question #17**

**QUESTION:** Is it possible to define that portion of the expense budget than can be considered discretionary, i.e., not required for essential services or longstanding commitments?

**RESPONDENT:** Kenneth C. Pennoyer, Business Management Director

**Response:**

Identifying discretionary expenditures in the budget is problematic because what is discretionary is in the eye of the beholder. The list of things the Town must do by law is very short, but the list of things that we have chosen to do is much longer. Many people would think that 4th of July Fireworks is discretionary, but when the Town attempted to cut this expense there was a groundswell of support to add it back. To a significant group of people this was essential and not discretionary. There are many programs that we maintain that could be considered amenities or levels of service that are beyond essential. These programs exist because the Council and the community asked for them. Determining which are discretionary is a decision that should probably be made on a Council level with time for deliberation and community input.

With regard to specific expenses that might be considered discretionary, most provide benefits either directly or indirectly, to the organization that allow us to provide the level of service that the community expects and values. For instance, some might argue that travel and training expenses for employees are discretionary because they can be reduced with minimal short-term impact on services. However, over time our employees will be less prepared and less equipped to keep up with service demands. In addition, failure to invest in employee’s professional development may increase the turnover rate for high performing employees who are looking for career advancement. This could also reduce our excellent record of internal promotions as our employees would either not be prepared to move up or they might prefer to pursue advancement at an employer that supports professional growth.

The Town’s staff level budget reviews are designed to eliminate non-value added costs. Therefore we feel that we have provided a budget that supports the expected level of service and all of the budgeted expenditures contribute, directly or indirectly to that goal.