

## **ARTICLE VI Financial Procedures**

### **Section 1 Fiscal Year**

The fiscal year\* of the Town shall begin on the first day of July and end on the last day of June of each year. For purposes of transition from the prior fiscal year there shall be a short fiscal year commencing on January 1, 1991, and ending on June 30, 1991. No later than September 30, 1990, the Select Board shall establish the dates for the Town Meeting for that transitional year, the dates for submission of the report of the Nominating Committee pursuant to Article I, Section 4(f) and the date for the submission of the budget by the Town Manager in accordance with Article VI, Section 3 of the Charter, for purposes of that transitional year. The Select Board shall be authorized to take such other action as necessary to conform the budgetary and financial procedures of the Town to the requirements of that short transitional fiscal year. (Amended March 12, 1990, effectively immediately)

State Law Reference: 30 MRSA, Sec. 5110

### **Section 2 Budget Committee**

In addition to articles in the town warrant for the election of officers required in the charter, there shall be an article for the election of a committee of citizens, representing all sections of the Town, to cooperate with the Select Board, Town Manager, treasurer, superintendent of schools, and chief of the fire department, in making recommendations concerning all articles in the warrant, especially those calling for appropriations; and this committee of citizens shall submit a report for consideration by the voters at the annual town meeting; said committee to be known as the Budget Committee, and shall consist of not less than twenty-one, nor more than twenty-five names. \*The Budget Committee may meet during the development of the proposed budget and shall meet upon completion of the proposed budget prepared by the Town Manager in order to review and to make recommendations concerning such budget. Prior to the adoption of a final budget by the Select Board to be included in a town warrant at the town meeting, the Budget Committee shall meet and adopt recommendations concerning such final budget; and those recommendations shall be reported to the Select Board prior to the final approval of the budget by the Select Board and those recommendations shall be included in the town warrant.

\* (Amended March 12, 1990, \*Amended November 6, 1990, effective January 1, 1991; amended June 11, 1996; amended Nov.4, 1997)

State Law Reference: 30 MRSA, Sec. 2061(4)

### **Section 3 Submission of Budget and Budget Message**

\*Not later than the third week in April, the Town Manager shall submit to the Select Board a budget for the ensuing fiscal year and an explanatory message. The Select Board shall review that budget in a preliminary manner and shall reconsider the budget for final approval after the Budget Committee has reported its recommendations to the Select Board; such final approval shall be in accordance with the provisions set forth in Section 6 below.

\*Amended in its entirety Nov.4, 1997.

#### **Section 4 Budget Message**

The Manager's message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline his proposed financial policies of the Town for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the Town's debt position and include such other material as the Manager deems desirable or the Select Board shall request.

#### **Section 5 Budget**

The budget shall provide a complete financial plan of all town funds and activities for the ensuing fiscal year and, except as required by this charter, shall be in such form as the Manager deems desirable or the Select Board may require. In organizing the budget the Manager shall utilize the most feasible combination of expenditure classification by fund, organization unit, program purpose or activity, and object. It shall begin with a clear general summary of its contents; shall show in detail all estimated income, and all proposed expenditures, including debt service, for the ensuing fiscal year; and be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year, and actual income and expenditures of the preceding fiscal year.

#### **Section 6 Board Action on the Budget**

a.\*Final Review and Approval. The budget prepared by the Town Manager shall be reviewed for final approval by the Select Board at a Select Board's meeting after the receipt of the recommendations of the Budget Committee. At such a meeting, the Board of, Select Board shall consider the recommendations of the Budget Committee and approve the proposed budget with or without amendment.

b. Publication of the Budget. The Select Board shall publish a general summary of the budget and the recommendations of the Budget Committee following the final adoption of the budget by the Select Board. Copies of the general summary of the budget and the Budget Committee's recommendations shall be available at the Town Office following the final approval of the budget by the Select Board and shall also be made available in the Town Report and at the town meeting.

c. Vote on Budget. The budget shall be included in appropriate articles in the Town Warrant and shall be voted upon at a Town Meeting. (\*Amended in its entirety Nov.6, 1997)

d. Adoption.

(1) An article shall be placed in the warrant to authorize expenditures chargeable to the appropriations for the year when adopted in amounts sufficient to cover the necessary expenses of the various departments, from the beginning of the fiscal year to the adoption of the warrant at town meeting.

(2) Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated, and shall constitute a levy of the property tax thereby required; and

(3) A copy of the budget as finally adopted shall be certified by the Select Board and filed by them with the board of assessors whose duty it shall be to levy such taxes for the corresponding tax year.

#### **Section 7 Administration of Budget**

At such time as the Manager shall specify, each department, office, or agency shall submit work programs for the ensuing fiscal year showing the requested allotments of its appropriation by periods within the year and duly signed by the department head. The Town Manager shall review and authorize such allotments with or without revision as early as possible in the fiscal year. He may revise such allotments during the year if he deems it desirable, and shall revise them to accord with any supplemental, emergency, reduced or transferred appropriations made.

#### **Section 8 Tax Anticipation Borrowing Guidelines**

In the event that the Town of Camden finds it necessary to borrow money in anticipation of taxes, the following guidelines shall be followed:

- a. Invitations to bid shall be extended to all local banks\* at the same time;
- b. Invitations shall be dated and delivered to the invited banks at least ten(10) complete banking days prior to the bid opening and awarding of the bid;
- c. Invitation to bid shall specify the maximum amount to be borrowed;
- d. The method of borrowing shall be clearly defined; i.e., as needed or lump sum;
- e. Invitation shall specify planned maturity dates of said notes, and may require the option to prepay;
- f. Invitation shall show estimated planned borrowing and repayment schedule. (Does not apply if borrowing is on a lump-sum basis.);
- g. Invitation shall state date, time and place bids are due, and shall indicate date bids will be opened and awarded;
- h. Invitation shall inform of the Town's right to accept or reject any or all bids, provided that it is in the Town's best interest to do so;
- i. Bidder shall be asked to submit interest rates in multiples of one-hundredth (1/100) of one percent (1%); and
- j. The Town must specify the method in which interest shall be calculated; i.e., actual number of days outstanding over a 365-day period.

State Law Reference: 30 MRSA, Sec. 5151

**Section 9 Voter Authority**

The qualified voters of the Town shall have power under this article to require consideration or reconsideration of any budget item prior to adjournment.

**Section. 10 Public Records**

Copies of the budget and the capital program as adopted shall be public records.

State Law Reference: 1 MRSA, Sec. 401 et seq.

**Section 11 Lapse of Appropriations**

General fund appropriations, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that they have not been expended or encumbered, or except as prohibited by law or prior agreement. Such funds shall be transferred to a surplus account. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned.

State Law Reference: 30 MRSA, Sec. 5201, Sec. 5202; 20-A MRSA, Sec. 15510

**Section 12 Annual Audit**

The Town Manager shall each year appoint a certified public accountant or accountants with the approval of the Select Board for the purpose of conducting the annual audit of the prior fiscal year municipal finances, as authorized by law.

State Law Reference: 30 MRSA, Sec. 5253

**Section 13 Long-Range Programs**

a. The planning board shall prepare, within eighteen months of the acceptance of this charter, a written five-year plan for submission to the Select Board. Upon acceptance of the plan by the Board, printed copies of the plan will be made available to the general public upon request.

b. The purpose of the five-year plan will be to provide long-range continuity to the Town for programs requiring more than a year to complete, and for capital appropriations of significant magnitude. It is the intent to have continuity in community programs that will surpass the normal changes in appointed and elected municipal personnel, and provide bench marks against which to evaluate community progress toward established goals.

c. The planning board shall prepare annually an update of the five-year plan to the Select Board. In addition to the update, the planning board will prepare a written comparison evaluation of the past year's actual performance as applied to the actions called for in the plan. These reports shall become part of the annual Town Report.

d. Any expenditure for planning, studying and consulting pertaining to five-year planning shall be raised within the Town's annual operational budget.

e. \*The Planning Board shall consist of five (5) members appointed by the Select Board. Each Planning Board member shall serve for a term of five (5) years. The initial Planning Board created by this Charter shall serve staggered terms, so that planning continuity is provided.

In addition, the Select Board may annually appoint two (2) alternate members for the Planning Board. The term of office for alternate members shall be one (1) year. During the absence of a regular member at any meeting, the Chairman of the Planning Board shall designate the alternate member who shall serve during the absence of the absent regular member.

With the exception of alternate members, once a member of the Planning Board has been sworn into office, he or she shall continue in that office for the remainder of his or her term without having to renew the oath of office for that position annually.

\*Adopted November 5, 1991.

State Law Reference: 30 MRSA, Sec. 4961