

## ARTICLE 5

### FISCAL PROCEDURES

#### Section 5-1 Fiscal Year

The fiscal year of the town shall begin on the first day of July and shall end on the thirtieth day of June, unless another provision is made by general law.

#### Section 5-2 School Department Budget

- (a) **Submission to Town Administrator** - The superintendent of schools' proposed budget shall be submitted to the town administrator in sufficient time to enable him to consider its effect on the total town budget he is required to submit under this article.
- (b) **Public Hearing** - At least seven days before the meeting at which the school committee is to vote on its final budget request, the school committee shall cause to be published in a local newspaper a general summary of the proposed budget. This notice shall also indicate the times and places at which copies of the proposed budget are available for public examination, and the date, time and place, not less than seven days following such publication, when a public hearing will be held by the school committee on the proposed budget.

#### Section 5-3 Submission of Preliminary Budget

Within a time fixed by by-law, before the date on which the representative town meeting is to meet in its spring session, the town administrator shall submit to the finance committee a preliminary budget for the ensuing year, with an accompanying budget message and supporting documents. He shall, simultaneously, provide for the publication in a local newspaper a general summary of the preliminary budget. This notice shall also indicate the times and places at which complete copies of the preliminary budget and accompanying materials are available for examination by the public.

#### Section 5-4 Budget Message

The budget message submitted by the town administrator shall, at a minimum:

- Provide a comprehensive overview of the proposed budget
- Explain the Town's fiscal condition including noteworthy changes in various revenue and expense categories as well as reserves
- Outline proposed financial policies of the town for the ensuing fiscal year
- Indicate any major variations from the current financial policies together with the reasons for such changes
- Identify changed priorities and the reasons for such changes
- Summarize the town's debt position
- Provide an analysis of significant trends and fiscal challenges and the administration's proposed responses thereto

- Describe and summarize significant changes, if any, in town services and/or staffing levels and the reasons for such changes
- Include such additional information as the town administrator deems desirable or the Select Board may require
- The Representative Town Meeting may, by by-law, require certain information on assets and liabilities of the Town to be provided as part of the budget message.

## **Section 5-5            The Preliminary Budget**

The preliminary budget, in conjunction with the town administrator’s budget message, shall provide a complete financial plan of all town funds, including the superintendent of schools’ proposed budget as submitted under Section 5-2 and shall explain differences, if any, between that proposal and the town administrator’s recommended appropriation for the school department. The preliminary budget must clearly identify any variances between the total recommended appropriations and projected available revenues and identify one or more scenarios for addressing such variances. Except as may otherwise be required by general law, or by the charter, the financial plan shall be in the form the town administrator deems desirable, or as the Select Board may require. In his presentation of the preliminary budget, the town administrator shall make use of modern concepts of fiscal presentation so as to furnish a maximum amount of information and the best financial controls. Any and all submitted budgets shall be arranged to show the actual and estimated revenues and expenditures for the previous, current, and ensuing fiscal years and shall indicate, in separate sections:

- (a) Proposed expenditures for current operations during the ensuing fiscal year, detailed by town agency, function and work programs, and the proposed methods of financing such expenditures.
- (b) Proposed capital expenditures during the ensuing fiscal year, detailed by town agency, and the proposed methods of financing such expenditures.
- (c) Estimated surplus revenue and free cash at the end of the current fiscal year, including estimated balances in any special accounts established for specific purposes.

## **Section 5-6            Action on the Town Administrator’s Preliminary Budget**

- (a) **Public Hearing** - The finance committee shall forthwith, upon receipt of the preliminary budget, provide for the publication in a local newspaper of a notice stating the initial date, time and place, not less than seven nor more than fourteen days following such publication, when the first of one or more public hearings will be held by the finance committee on the preliminary budget.
- (b) **Review** - The finance committee shall consider, in open public meetings, the detailed expenditures proposed by each town agency and may confer with representatives of any town agency in connection with its review and consideration. The finance committee may require the town administrator, or any other town agency, to furnish it with such

additional information as it may deem necessary to assist it in its review of any submitted budget.

- (c) **Presentation to the Representative Town Meeting** - The finance committee shall file a report containing its recommendations for actions on the proposed budget which shall be available at least seven days prior to the date on which the town meeting acts on the proposed budget. When the proposed budget is before the town meeting for action it shall first be subject to amendment, if any, by the finance committee.

### **Section 5-7          Budgets for the Current Fiscal Year**

The representative Town Meeting may, by By-Law, require an updated budget message and certain information to be provided in connection with annual operating and/or capital expenditures budgets for a current fiscal year at Spring Annual Town Meeting, Fall Annual Town Meeting and for any special town meeting which deals with fiscal or budgetary matters.

### **Section 5-8          Capital Improvement Program**

The town administrator shall submit a capital improvement program to the Select Board and to the finance committee at least thirty days prior to the date fixed by by-law for the submission of the proposed operating budget. The capital improvement program shall include, but need not be limited to the following:

- (a) A clear, concise, general summary of its contents.
- (b) A listing of all capital expenditures proposed to be made, by years, during the five fiscal years next ensuing, with supporting information as to the need for each such expenditure.
- (c) Cost estimates, methods of financing and recommended time schedules.
- (d) The estimated annual cost of operating and of maintaining any new facility or piece of major equipment involved.

The information is to be annually revised with regard to all items still pending, or in the process of being acquired, improved or constructed.