

Article ___: FINANCE AND FISCAL PROCEDURES

SECTION ___-1: FISCAL YEAR

The fiscal year of the town shall begin on the first day of July and shall end on the last day of June, unless another period is required by general law.

SECTION ___-2: JOINT MEETING

The mayor shall call a joint meeting of the Budget Coordinating Group before the commencement of the budget process and during the budget process, as necessary, to review the financial condition of the town, revenue and expenditure forecasts and other relevant information prepared by the mayor in order to develop a coordinated budget, budget guidelines, and coordinated budget calendar.

The Budget Coordinating Group shall consist of, at a minimum, the mayor, Finance subcommittee of the town council, representatives from the school committee, regional school committee, library board of trustees, Finance department, and any other persons the mayor deems necessary.

SECTION ___-3: PUBLIC FORUM

Before submitting a proposed ~~operating~~ budget to the town council, the mayor shall hold a public forum on the topic of the proposed budget intended to present the public with context based on prior years' budgets and relevant information as well as solicit feedback from the public.

SECTION ___-4: SUBMISSION OF BUDGET; BUDGET MESSAGE

- a) Not later than 60 days before the start of the municipal's fiscal year, the mayor shall submit to the town council a proposed ~~operating~~ budget for the ensuing fiscal year with an accompanying budget message and supporting documents. The mayor shall simultaneously have the entire document posted to the town bulletin board.
- b) The budget message of the mayor shall explain the proposed budget for all municipal agencies both in fiscal terms and in terms of work programs. It shall outline proposed financial policies of the town for the ensuing fiscal year, describe important features of the budget, indicate any major variations from the current fiscal year in financial policies, expenditures and revenues, together with the reasons for these changes, summarize the town's debt position, and include other material that the mayor considers desirable, or that may be required by the provisions of a municipal bylaw. It shall also outline the progress being made on the capital improvement program.
- c) The proposed budgets adopted by the local school committee, regional school committee, and library board of trustees shall be submitted to the mayor at least 21 days before the date the mayor is required to submit a proposed budget to the town council.
- d) The proposed ~~operating~~ budget shall provide a complete financial plan for all town funds and town activities for the ensuing fiscal year. Except as may otherwise be required by general law or this charter, it shall be in the form that the mayor considers desirable or that a town bylaw may require. In the presentation of the budget, the mayor shall use modern concepts of fiscal presentation so as to furnish an optimum level of information and the best financial control.

Comment [H1]: Will define in Definitions Section of General Provisions Article

SECTION ___-5: ACTION ON THE BUDGET

- a) Public Hearing: Immediately upon its receipt of the proposed ~~operating~~ budget, the town council shall refer the budget to the town council's Finance subcommittee. The Finance subcommittee shall hold a public hearing on the proposed ~~operating~~ budget, providing no less than 10 days' notice of such hearing. The subcommittee will thoroughly review the budget and make a presentation and recommendation to the full town council within **21 days**.
- b) Finance subcommittee: The Finance subcommittee of the town council shall consider any or all questions which it deems appropriate for the purpose of considering the budget. It shall have authority at any time to investigate the books, accounts, and management of any department of the town and to require officers and employees of the town to appear before it and to provide information.
- c) Action by Town council: The town council shall adopt the budget, with or without amendments, within **21 days** after the day the proposed budget is reported out by its Finance subcommittee. In amending the budget, the town council may delete or decrease any programs or amounts except expenditures required by law; except on the recommendation of the mayor, the town council shall not increase any item in or the total of the proposed operating budget, unless otherwise authorized by the General Laws. If the town council fails to take action on an item in the proposed budget within said 21-day period, that amount shall, without any action by the town council, become a part of the appropriations for the ensuing fiscal year and shall be available for the purposes specified. The vote to approve the budget shall be on a roll call vote.

SECTION __-6: SUPPLEMENTARY BUDGETS, OTHER APPROPRIATIONS

Whenever the mayor shall submit to the town council a request for a new appropriation of any sum of money, either as a supplement to some item in the annual ~~operating~~ budget or for an item, or items, not included in the annual ~~operating~~ budget as adopted, the town council shall not act upon the request until it has (1) been reviewed by the Finance subcommittee, (2) been posted on the municipal bulletin board for a minimum of 10 days and (3) held a public hearing concerning the request.

SECTION __-7: CAPITAL INVENTORY AND CAPITAL IMPROVEMENT PROGRAM

- A) Capital Inventory: The mayor shall establish and update not less frequently than annually an inventory of significant capital assets such as buildings, infrastructure (water, sewer, storm water, and roads), moveable equipment and such other property as determined by bylaw. The town council shall by bylaw establish the requirements of the inventory, such as age, condition, maintenance and repair history, remaining useful life and other features as the town council may deem appropriate.
- B) Capital Improvement Program: The mayor, with the advice of a joint capital planning committee comprised of, at a minimum, representatives from the town council, school committee, and library board of trustees, shall create a capital improvement program, which shall include: (i) a clear summary of its contents; (ii) a list of all capital improvements proposed to be undertaken during the next 5 fiscal years with supporting data and rationale; (iii) cost estimates, method of financing and recommended time schedules; and (iv) the estimated annual cost of operating and maintaining the facilities and/or equipment included. The above information shall be revised and extended each year.
- C) Participatory Budgeting: A portion of no less than ___% of the capital ~~portion of the annual~~ budget shall be allocated to projects that are initiated by and voted upon by the residents of

Amherst. The town council shall by bylaw establish the process for allocating this portion of the capital budget.

- D) Submission: The mayor shall prepare and submit to the town council the inventory and the 5-year capital improvement program at least 120 days prior to the mayor's submission of the next fiscal year's ~~operating~~ budget.
- e) Public Hearing: The town council shall make the proposed capital improvement program available to the public and shall hold at least one public hearing on the capital improvement program.
- f) Adoption: At any time after the public hearing but before the first day of the last month of the current fiscal year, the town council shall by resolution adopt the capital improvements program, which may be amended, provided that each amendment shall be voted on separately and that an increase in the capital improvements program as submitted shall clearly identify the method of financing to accomplish the proposed increase.

SECTION __-8: INDEPENDENT AUDIT

The town council shall annually provide for an outside audit of the books and accounts of the town to be conducted by a certified public accountant or a firm of certified public accountants, which has no personal interest, direct or indirect, in the fiscal affairs of the town or any of its officers. The mayor shall annually provide to the town council a sum of money sufficient to satisfy the estimated cost of conducting the audit as presented to the mayor, in writing, by the town council. The award of a contract to audit shall be made by the town council on or before September 15 of each year. The clerk of the council shall coordinate the work of the individual or firm selected. The report of the audit shall be filed in final form with the town council not later than March 1 in the year following its award.

Comment [H2]: Clerk of the Council needs identified in Legislative Article.

SECTION __-9: STRATEGIC INITIATIVES AND FINANCIAL OVERSIGHT COMMITTEE (SIFOC)

There shall be a Strategic Initiatives and Financial Oversight Committee (SIFOC) to advise the mayor, town council, school committee, and library board of trustees on the status of Amherst's long range strategic plan the state of the municipal economy, sufficiency of municipal revenues, and other fiscal matters that may from time to time be referred to it by the mayor, town council, school committee, or library board of trustees. The Committee shall be comprised of nine members appointed to staggered three-year terms, two chosen by the town council, two chosen by the school committee, two chosen by the library board of trustees, and three chosen by the mayor. Members shall be residents of the town and shall not hold any other elected or appointed office in the town and shall not receive any compensation. The mayor shall select at least one member with expertise in finance and one member who is a member of the local business community. SIFOC will report annually to the mayor, town council, school committee, and library board of trustees and shall file all of its reports with the town clerk.