

ARTICLE V
BUDGET

Section 1. Fiscal Year. The fiscal year of the Town government shall begin the first (1st) day of July and shall end on the thirtieth (30th) day of June of each year. The fiscal year may be changed by the Council. Said fiscal year shall constitute the budget and accounting year as used in this Charter. The term “budget year” shall mean the fiscal year for which any participating budget is adopted and in which it is administered.

Section 2. Preparation and Submission of the Budget. The Town Manager, at least ninety (90) days prior to the annual Town meeting, shall submit to the Council a budget and an explanatory budget message. The budget authority of the Council shall be limited to the final determination of the total appropriation to be made to each of the several offices, departments and agencies of the Town.

This budget message shall contain:

- A. Exact statement of the financial condition of the Town which shall include but not be limited to a description and breakdown of bonded indebtedness and estimated funds to be borrowed in anticipation of tax receipts to meet the proposed budget.
- B. An itemized statement of recommended appropriations for operating expenses and capital improvements with comparative statements in parallel columns of estimated and year-to-date actual expenditures for the current fiscal year and actual expenditures for the three (3) preceding fiscal years. An increase or decrease in any item shall be indicated.
- C. An itemized statement of estimated revenue from all sources, other than taxation, and a statement of taxes required, estimated mil rate, and comparative figures from the current and next preceding years.
- D. Such other information as may be required by the Council.

Section 3. Procedure to be Followed.

- A. The proposed budget prepared by the Manager shall be reviewed by the Council which shall approve the preliminary budget with or without amendments.
- B. The complete Town budget as approved by the Council shall be printed and distributed, and the Council shall fix the time and place for holding a public hearing on the budget, and shall give public notice pursuant to State law.
- C. The Council shall then review the budget and recommend it with or without amendment to the annual Town Meeting. The reviewed budget shall be made available to the public at least ten (10) days prior to the annual Town meeting.

Section 4. Budget Establishes Appropriation. From the date of adoption of the budget, the several amounts stated therein as proposed appropriations shall be and become appropriated to the several offices, departments and agencies and purposes therein named. The budget for all departments shall include all proposed expenditures. The Council shall make a gross appropriation for each department, office and agency for the ensuing year.

- A. Exceptions:

1. The gross appropriation for each department, office or agency shall not be exceeded except by consent of the Council.
2. If there is a period between the beginning of the fiscal year and the appropriation of funds, the Council may authorize expenditures for proposed departmental expenses chargeable to the appropriations for the year when made in amounts sufficient to cover the necessary expenses of the various departments, offices, and agencies not to exceed the prior fiscal year's budget amount
3. Following the close of the fiscal year, the Council may also continue unexpended balances in capital accounts.
4. Within the last three (3) months of the fiscal year the Manager may transfer, without Council approval, any unencumbered appropriations or portion thereof between general classifications of expenditures within a department, office or agency not to exceed an amount to be determined by the Council on an annual basis. Transfers in excess of this amount must be approved by the Council.

Section 5. Budget Establishes Amount to be Raised by Property Tax; Certification to Town Assessor.

From the date of adoption of the budget, the amounts stated therein as the amount to be raised by property tax shall constitute a determination of the amount of tax for the purposes of the Town in the corresponding fiscal year. A copy of the budget as finally adopted shall be certified by the Town Manager and filed with the Town Assessor, whose duty it shall be to set the mil rate for the corresponding fiscal year.

Section 6. Budget Summary. At the head of the budget there shall appear a summary of the budget, which need not be itemized further than by principal sources of anticipated revenue, stating separately the amount to be raised by property tax, it shall be itemized also by departments, offices and agencies and kinds of expenditures, in such manner as to present to taxpayers a simple and clear summary of the detailed estimates of the budget.

Section 7. Work Program; Allotments. Before the beginning of the budget year, the head of each office, department or agency shall submit to the Town Manager, when required by the Town Manager, a work program, of the year, which program shall show the requested allotments of appropriations for such office, department or agency, by stated periods, for the entire budget year. The Town Manager shall review the requested allotments in the light of the work program of the office, department or agency concerned, and may revise, alter or change such allotments before approving the same. The aggregate of such allotments shall not exceed the total of appropriations available to said office, department or agency for the budget year.

Section 8. General Fund Balance Level and Restriction of Use

Crisis Fund. The Town Treasurer shall maintain a Crisis Fund which shall be separately invested in a propriety account with interest to be retained therein. The Crisis Fund shall be maintained at a level not less than one twelfth (1/12) of approved appropriation for the municipal budget, the Town's portion of MSAD #15 local assessment, county tax and overlay.

At any time in any budget year the Town Council may, after notice, call a special Town Meeting for the purpose of making appropriations from the Crisis Fund. The expenditures shall meet an essential municipal need to protect the public health, safety and welfare. The needs may be caused by severe economic decline, any natural disaster or sudden event outside the control of the Town Council. Said appropriations shall be adopted by a favorable vote of a special Town Meeting. Said resolution shall specifically identify the public necessity and contain the precise use of the funds. The resolution shall also contain a plan not to exceed a five (5) year period to restore the Crisis Fund to the prescribed level.

Whenever the Crisis Fund is less than the prescribed level, the Town Council shall be required to formulate a plan within ninety (90) days to restore the crisis fund to the prescribed level. The restoration of the Crisis Fund shall not exceed a five (5) year period.

Undesignated Fund Balance. Subject to Town Meeting approval, the Town Council may utilize the undesignated fund balance of the General Fund to reduce the tax commitment of any ensuing fiscal period.