

Proposed Amendments to the “Charter of the Town of Eliot, Maine, Article 6: Financial Procedures”

Annual Town Referendum Election, June 11, 2024

Warrant Article 18

Ballot Question 16

Shall the Town Charter “Proposed Amendments to Article 6 Financial Procedures, Sections 6.3 Budget Committee, 6.5 Budget Review Process and Schedule, and 6.9 Public Records” be enacted?

Select Board so recommend (5-0)

Rationale: The intent of the amendments is to clarify and simplify the Eliot Town Charter as called for in the Charter itself and is common practice.

New text underlined in bold

~~Deleted text in strikethrough~~

ARTICLE 6 FINANCIAL PROCEDURES

Section 6.1 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 the following year inclusive.

State Law Reference: Title 30-A, MRS, Section 5651

6.2 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 Town Manager deems desirable or the Select Board or any adopted budget referendum ordinance may require. In organizing the budget the Town 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 revenue, 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 revenue and expenditures of the current fiscal year, and actual revenue and expenditures of the preceding fiscal year.

6.3 Budget Committee

There shall be a Budget Committee consisting of (7) seven members elected for staggered three (3) year terms. The Budget Committee shall have the responsibility of reviewing and evaluating the Town Budget. This Committee shall function as a sub-committee of, and report back to, the legislative body. The Budget Committee shall act

independently from the Select Board and the Town Manager. The Budget Committee shall, by majority vote of the committee members present and voting, make recommendations regarding and included in each warrant article having a financial impact whether at the Annual Meeting or at a Special Town Meeting.

~~Vacancies of the Budget Committee members, other than anniversary term expirations, may be filled by the budget committee as soon as possible, after posting the vacancy for 14 days. Each appointee shall serve until the next Town election.~~

~~One member of the Budget Committee or a designee shall serve as a member of the town's negotiating team that will negotiate all labor contracts for the Town of Eliot.~~

Vacancies for the Budget Committee will be filled at the next scheduled Annual Town Election for the remainder of the term assigned to the vacated position. A quorum will be considered a majority plus one of all seated members, not to be less than two. If the number of members falls below three for any reason or circumstance, the remaining members(s) can request the Select Board appoint up to two members to serve until the Annual Election is held.

6.4 Submission of Budget, Budget Message, and Budget Schedule

Not later than the first week in January, the Town Manager shall submit to the Select Board and Budget Committee a proposed budget for the ensuing fiscal year with an explanatory message and calendar schedule for the entire Budget preparation.

The Manager's budget report shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline his or her proposed financial plan for the Town for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year the financial plan, 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 or Budget Committee shall request.

6.5 Budget Review Process and Schedule

The Select Board shall review the Town Manager's proposed budget when presented 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 6.6 below.

The Budget Committee shall meet during the development of the proposed budget. The Budget Committee shall meet to review the proposed budget prepared by the Town Manager and to make recommendations concerning such budget. Prior to the adoption of a final budget by the Select Board, the Budget Committee shall meet and adopt recommendations concerning such **the proposed** final budget to be included in a Town Warrant **the proposed budget or financial warrant(s) to be considered** at the Town

Meeting by Referendum Vote.

The Town Manager shall provide copies of supporting plan documents for the proposed budget as requested by the Budget Committee. The documents shall be submitted to the Budget Committee within five (5) business days of the request. If a document is not available, a written explanation as to why it is not available shall be provided within said five (5) business days.

~~As scheduled, the Town Manager shall deliver to the Budget Committee copies of the proposed final town budget at least five (5) business days prior to the Budget Committee's final vote. The recommendations of the Budget Committee shall be reported to the Select Board prior to final approval of the budget by the Select Board. The Budget Committee's recommendations shall be included in the Town Warrant.~~

6.6 Select Board Action on the Budget

A. ~~Final Review and Approval.~~ The proposed final budget prepared by the Town Manager shall be reviewed for final approval by the Select Board at a Select Board meeting after the receipt of the recommendations of the Budget Committee. At such a meeting, the Select Board shall consider the recommendations of the Budget Committee and approve the proposed budget with or without amendment. **The Budget Committee will deliver their recommendations, suggestions, or concerns by the first Wednesday in March. The Select Board will consider those, and any citizen generated concerns received in writing at their first meeting in March and do so in time to facilitate the referendum ballot process by the Town Clerk.**

B. Publication of the Budget. The Select Board shall publish a general summary along with the detailed budget and the recommendations of the Budget Committee in the Town Report. Copies of the budget and the Budget Committee's recommendations shall be available at the Town Office **upon request and on Town website** following the final approval of the budget **warrant** by the Select Board as per the Town Manager's schedule. The Select board shall hold a public hearing on the proposed budget at least ~~30~~ **15** days in advance of the Referendum Vote.

C. Vote on Budget. The budget shall be voted upon by Referendum Vote at the Annual Town Meeting through separate appropriation articles consistent with the proposed budget format and any adopted budget referendum ordinance.

Each appropriation article shall include the recommendations of the Select Board and of the Budget Committee along with a choice of "none of the above." The Select Board and Budget Committee recommended vote count numbers and dollar amounts only shall be published on the warrant with the article.

~~Any appropriation article that is approved, and which contains two or more specific sub-appropriations within said article, is restricted to the amounts specified in the sub-appropriations as presented, which may not be moved, interchanged, or otherwise co-mingled in any fashion without approval at a Town Meeting.~~

D. Budget funding provision in the event an appropriation article is not approved.

In the event an appropriation article is not approved, the appropriation for the immediately preceding year shall constitute the appropriation for the following fiscal year. In the event an appropriation article is not approved, and the appropriation did not appear on the ballot for the immediately preceding year or it was submitted by voter petition, no appropriation shall be deemed to have been made. The Select Board may call one additional referendum election in the same fiscal year to vote on appropriation articles that were not approved or that are for a similar purpose.

E. Adoption.

1. Adoption of the annual Municipal 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. A copy of the budget as finally adopted by Town Meeting or Referendum Vote shall be prepared by the Town Manager and submitted to the Select Board for certification. The certified property tax levy shall be distributed by the Town Manager to the Town Clerk for record retention and to the Assessor for the proper calculation of the tax rate and tax levy.

2. If the Budget has not been finally approved before the Fiscal Year begins, the Town is authorized to continuing spending from an unassigned fund balance an amount up to 1/12 of the budgeted amount of the preceding fiscal year per month until a new budget is approved at a Town Meeting.

6.7 Administration of Budget

Before the beginning of the fiscal year, the head of each office, department or agency shall submit to the Town Manager, when required by the Town Manager, a work program for the year. This program shall show the requested allotments of appropriations for such office, department or agency, by defined period, for the entire fiscal 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 them. The aggregate of such allotments shall not exceed the total of voted approved appropriations available to said office, department or agency for the budget year.

6.8 Tax Anticipation Borrowing Guidelines

In the event that the Select Board determines it necessary to borrow money in anticipation of taxes, the Select Board shall adhere to the guidelines for Tax Anticipation Note Borrowing as detailed in MRS 30-A, Section 5771. The following guidelines shall be followed:

- A. Invitations to bid shall be extended to lending institutions at the same time.
- B. Invitations shall be dated and delivered to the invited lending institutions at least ten (10) business days prior to the bid opening.
- 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 shall require the option to prepay without penalty;
- 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 (0.01%);and
- J. The Town must specify the method by which interest shall be calculated;

6.9 Public Records

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

~~—— State Law Reference: Title 1, MRS, Section 401~~

6.10 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, as set forth in this section. Such funds shall

be transferred to the unassigned funds account. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned. The Select Board may, on advice of the Town Manager, carry forward unexpended general fund appropriations as deemed appropriate to the same department for the next fiscal year.

State Law Reference: Title 30-A, MRS, Section 5801

6.11 Annual Audit

The Town Manager shall each year, by November 1, engage a certified public accounting firm, with the approval of the Select Board, for the purpose of conducting the annual audit of the prior fiscal year's municipal finances, as authorized by law.

State Law Reference: Title 30-A, MRS, Section 5823

Municipal Officers' Certification of Official Text of a Proposed Charter Amendment

To the Town Clerk of the Town of Eliot, Maine:

We hereby certify to you that the document to which we have affixed this certificate is a true copy of the official text of the proposed amendments to **"Article 6 Financial Procedures of the Charter of the Town of Eliot, Maine"**, which is to be presented to the voters for their consideration on June 11, 2024.

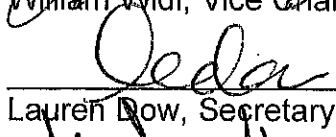
Pursuant to 30-A M.R.S.A. § 3002(2), you will retain this copy of the complete text of the Charter Article as a public record and make other copies available for distribution to the voters, and you will ensure that copies are available at the town meeting/polling places on the day of the vote.

Dated: April 11, 2024

Richard Donhauser, Chairman



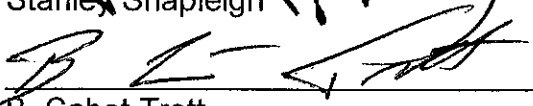
William Widi, Vice Chairman



Lauren Dow, Secretary



Stanley Shapleigh



B. Cabot Trott

**Select Board
Town of Eliot, Maine**