

## **TOWN BUDGETING ORDINANCE**

### **BACKGROUND**

The 1986 Master Plan (page 30) states “the Selectmen should continually review the effectiveness of the Town’s agencies”.

Proposals to adopt the Municipal Budget Act (RSA 32) have been defeated at three different Annual Town Meetings.

Budget Committees have recommended that their functions, responsibilities, and procedures be formalized in writing. This document was presented to the Town for its approval and adoption in an effort to provide direction and purpose to the Advisory Budget Committee.

### **ADOPTION**

Adoption of the Advisory Budget Committee Ordinance became effective after a majority vote of the Town by the checklist during the March 1991 Annual Meeting.

### **FUNCTION**

A. The Advisory Budget Committee shall perform the following functions.

1. Review line item budgets of the Town and School recommending approval or disapproval of each item which will be printed in the Annual Report.
2. Interface with Capital Improvement Plan and make recommendations to the Planning Board via the Board of Selectmen and the School Board.
3. Meet with the Selectmen and School Board regularly during the budget cycle to acquire budgetary information.
4. Prepare a separate written narrative report for inclusion in the Annual Madison Town Report.
5. Recommend approval or disapproval of all money related warrant articles.
6. Attend Public Hearings and Town/School District meetings to respond to public inquiries and recommendations.

B. Responsibilities of Selectmen and School Board.

1. Submit draft and final budgets and dollar related warrant articles to the Advisory Budget Committee for their assessment and review in a timely manner.

2. Participate in fact finding on the specifics of the budget/warrant articles with Budget Committee prior to a public hearing.
3. Jointly participate in budgetary public hearings prior to finalizing the Town/School Warrants and printing of the Town Report.
4. At all meetings with the Budget Committee review the status/progress of expenditures compared to the appropriated budget and identify potential problem areas.
5. Inform the Budget Committee as soon as possible of emergencies with significant financial impact or overdraft/deficit spending situations.

#### ORGANIZATION – Terms of Advisory Budget Committee Members

The members of the Budget Committee will be elected on Town ballot. The terms of elected members shall be three years. The initial term of members first elected shall be staggered so that no more than two positions become vacant each year.

The Advisory Budget Committee shall consist of seven members. Five are to be elected from registered voters. There will also be two ex-officio members, one shall be appointed from the Board of Selectmen and the other appointed from the School Board. Ex-officio members are voting members, but are prohibited from serving as chairman.

As duly elected or appointed officers of the municipality, members of the Advisory Budget Committee shall take an oath of office as required by RSA 42:1. The municipal records and Town Report should clearly show the dates of election or appointment and the expirations of the terms. Appointments made to fill unelected or vacancies will be made by the chairman of the Budget Committee and will be for the remainder of the term.

The Advisory Budget Committee shall elect its chairman to serve one year. The chairman may appoint no more than two alternates to serve in the absence of elected/appointed members. Alternates may serve on sub-committees at any time. Alternates may vote only when filling in for an elected or appointed committee member.

#### REPORTS

Prior to December 1, a preliminary draft of the Town and School Budget will be forwarded to the Advisory Budget Committee.

Each January 31 for the Town and December 31 for the School, a copy of each department budget as approved by the Selectmen and the School Board will be forwarded to the Chairman of the Advisory Budget Committee. Each report shall contain sufficient detail with line item listings of previous years expenditures.

The Advisory Budget Committee shall submit a majority report in essay format, in compliance with the Department of Revenue calendar, stating their analyses of the budget submitted to them by the School Board and the Selectmen. The report shall be published in the Annual Report. The committee will identify those expenditures which are not recommended for approval in the respective budget and warrant articles.

### STATEMENT OF EXPENDITURES

Each quarter of the calendar year the Selectmen and the School Board shall submit to the Advisory Budget Committee a summarized statement of all expenditures by department. The Advisory Budget Committee may review all expenditures and obtain detailed documentation of specific items upon request to the Selectmen or School Board. The documentation shall be submitted to the Advisory Budget Committee within ten days upon receipt of a written request.

### MEETING

The Advisory Budget Committee shall meet regularly during the budget cycle. A quorum (four of seven members) is required to be present to declare a meeting. Electronic participation per RSA 91-A:2,III is allowed by members whose attendance at a meeting is not reasonably practical. A member missing three or more meetings in a year may be disqualified from membership for cause by the remaining Advisory Budget Committee. The chairman of the committee will appoint a member to fill the vacancy until that term has expired.

Members should participate in Town and School Board public hearings that present budgets, warrant articles, and that respond to questions and comments from the general public.

Minutes of all Advisory Budget Committee meetings shall be taken and made available to the public not more than five days after the meetings.

### AUTHORITY

Authority shall not extend to the day to day management of school and municipal functions nor to the supervision or control of any office or employee. The committee shall have access to all Town books and papers of a financial nature to obtain information relative to fiscal assessment of budget and expenditures necessary for the proper performance of their duties. The Budget Committee shall not function in an auditing capacity.

Adoption of this ordinance shall in no way impair the authority and duties of the Selectmen, School Board, or any Board or Commission created by the Town's legislative body.

## AMENDMENTS AND REVISIONS

The Selectmen shall hold a public hearing on amendments and revisions to this ordinance at least 15 days but not more than 30 days before they are voted on. Notice of the hearing shall be posted in at least two public places in the municipality and published in a newspaper of general circulation at least seven days before the hearing.

If the majority of those voting on the amendments and revisions vote "Yes", the amendments and revisions shall apply within the Town on April 1 next following such vote.

## DISSOLUTION

The Advisory Budget Committee may be dissolved by a two thirds majority vote of the legislative body by checklist of the Town of Madison.

## RECOURSE

Under the provisions set forth by the Attorney General on the Right to Know Law (RDA 91-A), the Advisory Budget Committee may file a petition for a court hearing to enjoin the Town Selectmen or the School Board from violating RSA 91-A.

## OUTSIDE AUDITORS

Copies of the independent auditor's report for the Town and School shall be made available to the Advisory Budget Committee upon receipt of such report.

From the minutes of the March 12, 1991 Town Meeting page 11,

1991 ANNUAL REPORT (town book)

Article 19. To see if the Town will vote to adopt the "Town Budgeting Process" document as proposed by the Selectmen as directed at the 1990 Town Meeting (see proposed document at the end of these warrant articles). Moved by Henry Forrest, seconded by Eddy Lyman, John Millar made a motion to amend the word document to ordinance. Seconded by Henry Forrest. So voted

It was felt that the "Town Budgeting Process" gave the town's people more control over their budget then the Municipal Budget Law would.

Randy Cooper made a motion to change the wording in the Town Budgeting Ordinance under DISSOLUTION to "The Advisory Budget Committee may be dissolved by majority vote of the legislative body by checklist of the Town of Madison." Seconded by Joe Viana So Voted

Article 19 as amended YES – 64 NO – 24

SO VOTED