

**ARTICLE 9. ADOPT GENERAL BY-LAW ARTICLE XLVI, and AMEND
ARTICLE IV and DELETE ARTICLE XXXIII
SPONSORED BY: Governance Committee**

Color Key: Black = Original - Green = New - Red = Deleted

**ARTICLE XLVI
FISCAL PROCEDURES**

Section 1 Fiscal Year – The fiscal year of the Town shall begin on July 1 and shall end on June 30 unless another provision is made by General Law.

Section 2 Budget Planning – The Chairs of the Select Board and Finance Committee and Chair of the School Committee or her/his designee, and the Town Administrator, the Superintendent of Schools and school finance officer shall schedule to meet together annually not later than the first Monday in November to review the Town’s overall financial management policy and the budgetary goals for the subsequent fiscal year. The Chair of the Select Board shall chair such meeting. Possible completion dates for all phases of the budget development process also shall be reviewed.

2-1 Budget Calendar and Guidelines - The Town Administrator, after consultation with the Select Board and Finance Committee, shall no later than November 15th set completion dates for all phases of the succeeding fiscal year’s operating and capital budget development process. The Town Administrator shall provide for the posting of the budget completion schedule on the Town’s official website.

Upon analysis and consideration of the information provided and gathered, the Town Administrator, after consultation with the Select Board and Finance Committee, shall issue a preliminary budget development message to all Town officers, department heads, committees and boards that outlines the current and projected financial condition for the Town and the budgetary guidelines and goals for the succeeding fiscal year.

2-2 Budget Message - The budget message submitted by the Town Administrator shall explain the proposed budget for all Town departments and agencies, both in fiscal terms and in terms of work program. The budget message shall: outline proposed financial policies of the Town for the ensuing fiscal year; describe important features of the proposed budget, indicate any major variations from the current budget in financial policies, expenditures and revenues, together with reasons for such changes; summarize the Town’s debt position; report on the status of the town’s long-term unfunded liabilities for employee pensions and Other Post-Employment Benefits (OPEB); and include such additional information as the Town Administrator deems appropriate or the Select Board may reasonably require.

2-3 Submission of Agency Budgets - The Town officers, department heads, committees and boards authorized by law to expend funds, shall submit detailed estimates of the amounts necessary for the proper maintenance of their departments, boards, or committees in the upcoming fiscal year to the Town Administrator no later than the agreed upon date. Furthermore, such officers, department heads, committees and boards authorized to expend

funds, shall submit a capital budget for the upcoming fiscal year to the Town Administrator and Capital Planning Committee no later than the agreed upon date, in both instances as authorized by the Town Administrator special act (Ch.94, Acts of 1994). All budgets submitted shall be consistent with the policy direction contained in the budget development message and shall be accompanied by sufficient explanation and supporting data to support the amounts described.

The proposed budget request as adopted by an elected official, board, committee or commission shall be submitted to the Town Administrator on such date as specified so as to allow sufficient time to enable consideration of its effect on the total budget.

2-4 School Committee Budget - The proposed budget request as adopted by the School Committee shall be submitted to the Town Administrator on such date as specified so as to allow sufficient time to enable consideration of its effect on the total Town budget.

Upon submission of the Superintendent's recommended budget to the School Committee for the ensuing year, the Superintendent will provide for the posting of the budget on the School Department's website. The submittal of the final school committee budget shall be in accordance with applicable law.

2-5 The Budget - The proposed operating budget shall provide a complete financial plan for all Town funds and activities for the ensuing year, including the budget adopted by the School Committee. Except as may otherwise be required by the General Laws, it shall be in the form as the Town Administrator deems appropriate after consultation with the Finance Committee and the Select Board. In the presentation of the budget, the Town Administrator shall utilize current concepts of fiscal presentation so as to furnish a maximum amount of information and the best financial control.

The operating budget shall be arranged to show in detail the actual and estimated income and expenditures for the previous, current and ensuing fiscal years; and shall indicate separately:

- (a) Proposed expenditures for current operations during the ensuing fiscal year and the proposed method of financing such expenditures;
- (b) Proposed capital expenditures during the ensuing fiscal year, detailed by Town agency and the proposed method 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; and
- (d) Revenue, expenses and general subsidies for any and all enterprise funds and revolving accounts for all Town departments, agencies and boards and the School Department.

2-6 Action on the Operating Budget - The Town Administrator shall review the budgets submitted and hold such hearings or meetings as deemed necessary. The Town Administrator shall, no later than 110 days prior to the scheduled date of the Spring Annual Town Meeting, adopt and file with the Select Board a draft proposed comprehensive operating budget for all town and school department operations and capital expenses for the ensuing fiscal year with an accompanying budget message, budget summary, and supporting documents. The draft budget will be posted on the Town's official website as soon as practicable following its filing. The

Town Administrator shall have the sole authority to compile and submit the proposed annual town operating budget and capital improvements plan to the Select Board.

Section 3 Select Board Action – Upon receipt of the proposed operating budget and capital improvement program, the Select Board shall provide for the posting on the Town’s official website and a print or electronic local newspaper a notice stating the date, time and place when a public hearing will be held by the Select Board on the proposed budget.

Within thirty (30) days following the submission of the draft comprehensive budget by the Town Administrator, the Select Board shall adopt the budgets under its jurisdiction with or without amendments. The Town Administrator shall transmit such budgets, along with the budget approved by the School Committee and the budgets of other independently elected boards to the Finance Committee with an accompanying budget message, budget summary, and supporting documents. These independent budgets are not subject to approval by the Select Board before being submitted to the Finance Committee. The Select Board shall provide for the posting of the proposed operating budget for the ensuing year on the Town’s official website and note on the website the availability of printed copies of the proposed comprehensive budget at the Town Hall, Public Library and Senior Center.

The budget to be acted upon by Town Meeting shall be the budget approved by the Select Board with the accompanying recommendations of the Finance Committee. The Select Board shall be responsible for submitting the proposed operating budget to Town Meeting.

Section 4 Finance Committee Action - The Finance Committee shall, upon receipt of the proposed budget and any articles involving an expenditure of Town funds, consider, in open public meeting, the detailed expenditures and revenues proposed for each Town agency and may confer with representatives of any Town agency in connection with its review and considerations.

4-1 Review - The Finance Committee may request the Town Administrator or any other Town official or agency to furnish it with such additional information as it may deem necessary or appropriate, subject to any applicable exceptions defined in the so-called Massachusetts Public Records Law, to assist it in its review of the proposed budget and any other financial matters before the Town to be decided. The Finance Committee shall have access to all facts, figures, records and other information relating to all fiscal affairs of town departments, officers and agencies and the same shall be furnished forthwith to the Finance Committee by town departments, officers and agencies whenever so requested by the Finance Committee.

4-2 Public Hearing – Upon receipt of the proposed operating budget and capital improvement program, the Finance Committee shall provide for the posting on the Town’s official website and a print or electronic local newspaper a notice stating the date, time and place when a public hearing will be held by the Finance Committee on the proposed budget.

4-3 Submission of Recommendations - The Finance Committee shall file with the Town Administrator a report on the proposed operating and capital budgets and other warrant articles with its recommendations and explanations on the agreed upon date.

Section 5 Presentation to Town Meeting - The Select Board shall meet with the Finance Committee and consider its proposed recommendations. The Select Board will adopt a proposed budget for the ensuing fiscal year to present to Town Meeting. The Finance Committee shall present its recommendations to Town Meeting and shall be given first opportunity at Town Meeting to propose amendments, if any, to the budget.

The Select Board's proposed budget accompanied with the Finance Committee's recommendations will be available at least seven days prior to the date on which the Town Meeting acts on the proposed budget. Such report will be posted on the Town's official website as soon as practicable following its filing, and will note on the website the availability of printed copies of the Annual Town Meeting report at the Town Hall, Public Library and Senior Center. The submission of such budgets may not be construed as prohibiting subsequent changes either before or at Town Meeting.

Section 6 Capital Improvement Program - The Town Administrator shall annually compile a five-year capital improvement program consistent with M.G.L. Chapter 44, sections 7 & 8. The capital improvement program shall be based on material prepared by the Capital Planning Committee of the Town, and it shall include: (a) A clear, concise, general summary of its contents; (b) A list of all capital improvements proposed to be undertaken, by years, during the next five fiscal years, together with supporting information as to the need for each such expenditure; (c) Cost estimates, methods of financing, and recommended time schedules for each improvement; and (d) The estimated annual cost of operating and maintaining any new facility or piece of major equipment involved. The above information shall be annually revised by the Town Administrator and shall be extended each year with regard to capital improvements still pending or in the process of being acquired, improved or constructed.

6-1 Submission to Select Board and Finance Committee – The Town Administrator shall submit to the Select Board the proposed capital improvement program at least thirty (30) days before the date fixed for submission of the proposed operating budget. The Select Board shall act thereon within 20 days and shall then submit the proposed capital improvement program to the Finance Committee, which shall issue its recommendations as part of its report to Town Meeting. The Select Board shall be responsible for submitting the proposed capital improvement program to the Town Meeting.

6-2 Available to Public - Upon submission of the capital improvement program to the Finance Committee, the Town Administrator shall provide for the posting of the proposed capital improvement program on the Town's official website and note on the website the availability of printed copies of the proposed capital budget at the Town Hall, Public Library and Senior Center.

6-3 Capital Planning Committee

A. Appointments - The Capital Planning Committee shall consist of five registered voters appointed to three-year terms - one to be appointed by the Moderator and one to be appointed from its membership by each of the following: Select Board, Finance Committee, School

Committee and Planning Board. The Town's Facilities Director, school finance officer and Town Accountant shall serve as members ex officio and shall not be eligible to vote. The Committee shall choose a Chair, Vice Chair and Clerk. When the Committee is established, two of the five appointed members shall serve for a three-year term, two for a two-year term and one for a one-year term. Thereafter, member's terms shall expire on July 1, except that members shall continue in office until their successors have been duly appointed and qualified. Vacancies, including departure from the Select Board, Finance Committee, School Committee or Planning Board, shall be filled in the manner of the original appointment for the remainder of the unexpired term.

- B. Duties and Responsibilities** – The Committee shall consider the capital needs of the Town including both long-term and more immediate needs. It shall evaluate, coordinate and prioritize proposed capital improvements and other outlays involving major assets and projects, including proposed gifts to the Town that would incur future operating costs. It shall recommend the method of funding for each capital need being considered. It shall advise the Town Administrator and the Finance Committee.
- C. Review of Capital Projects** – All proposed capital projects shall be reviewed by the Committee, and requests therefore may be submitted at any time. The Committee in examining the need for capital improvements shall evaluate the need for the project, the urgency of the need, and the affordability of the project. The Town Administrator and the Finance Committee shall be invited to all meetings where capital projects are reviewed.
- D. Project Requests and Financial Impact Statements** – Capital project requests may be submitted by any Town agency or as set forth in a petitioned warrant article, and shall, if submitted by a Town agency, be accompanied by an estimated initial capital cost and a financial impact statement detailing increased operating costs reasonably necessary for the project to accomplish its intended purpose. The Committee may request additional information or that the project proponent attend related meetings of the Committee.

Section 7 Approval of Warrants - The Town Administrator shall be the chief fiscal official of the town. Warrants for the payment of town funds prepared by the Town Accountant in accordance with the provisions of the General Laws shall be submitted to the Town Administrator. The approval of any such warrant by the Town Administrator shall be sufficient authority to authorize payment by the Town Treasurer, but the Select Board shall approve all warrants in the event of the absence of the Town Administrator, or a vacancy in the office of Town Administrator.

Section 8 Financial Public Records – Statements summarizing the operating budget and the capital improvement program and related warrant articles, as adopted by Town Meeting, shall be posted by the Town Administrator on the Town's official website not later than twenty days after their adoption.

ARTICLE IV FINANCE COMMITTEE

Section 1. The Town shall have a Finance Committee, consisting of seven members, elected for a term of three years each, and so elected that the term of no more than three nor less than two shall expire in any one year.

Section 2. No person holding any other elected or appointed office and no person employed by the Town, shall be eligible to serve as a member of the Finance Committee, ~~except that, any member of the Finance Committee who holds another appointed office on the effective date of this amendment shall be allowed to continue in such appointed office for so long as he or she remains as a member of the Finance Committee.~~ **except as allowed by state law or the General By-laws of the Town of Holliston or by a vote of Town Meeting.**

Section 3. The Finance Committee shall, promptly after the **Town's annual** election and assumption of office of new members, meet for the purpose of organization, and shall elect from its members a Chairman, Vice Chairman and Clerk.

Section 4. ~~The Finance Committee shall consider any and all municipal questions for the purpose of making reports or recommendations to the Town, including but not limited to matters relating to the appropriation, the borrowing and the expenditure of money, municipal debt, property valuations and assessments, and the administration of the Town offices and departments.~~

The Finance Committee shall have the authority to consider any and all municipal questions for the purpose of making reports or recommendations to the Town, as provided in M.G.L. Ch.39, s 16. The Finance Committee shall have the authority to vote transfers from the reserve fund as provided in M.G.L. Ch.40, s. 6. The Finance Committee shall have the authority to approve, in concurrence with the Select Board, transfers of appropriations as provided in M.G.L. Ch. 44, s. 33B. The Finance Committee shall consider all fiscal questions, including, but not limited to matters related to the appropriation, the borrowing and the expenditure of money, municipal debt, property valuation and assessments, long-term unfunded liabilities and the raising of money. The Finance Committee may consider proposed action under all articles in the warrant for a Town Meeting and questions regarding the administration of Town offices and departments for the purpose of making reports and recommendations to the Town. No financial article shall be presented to any Annual or Special Town Meeting that has not been previously submitted to the Finance Committee for review.

~~**Section 5.** The various Town boards, officers and committees involved with the expenditure of money shall, on or before a date specified by the Finance Committee, prepare detailed estimates of the amounts deemed by them necessary for the administration of their respective offices and departments for the ensuing fiscal year, with explanatory statements of the reasons for any changes from the amounts appropriated for the same purpose in the preceding year.~~

~~Section 6.~~ All officers, boards, or committees of the Town, elected or appointed shall on request, furnish to the Finance Committee or to any delegated member or authorized agent thereof any desired information about Town affairs and Town funds under their control relevant to financial decisions.

~~Amended 10/26/2015~~

~~Section 7.~~ The Finance Committee shall submit, at least seven days prior to any Town Meeting, a printed report of its recommendations to the voters including a copy of the warrant and an explanation of its recommendations. The report submitted prior to the Annual Town Meeting shall also contain an appropriate form which would encourage citizen participation in Town boards and committees. No appropriation shall be made until a report thereon has been received from the Finance Committee.

~~Section 7 passed May 4, 1987~~

Note; Sections Five, Six and Seven are deleted because the same or similar provisions are included in the Fiscal Procedures or Select Board Articles.

ARTICLE XXXIII CAPITAL IMPROVEMENT PROGRAM

~~Section 1. DEFINITION.~~ The Town shall have a Capital Improvement Program. A capital improvement shall be defined to include, but not be limited to, all permanent buildings, land, roads, and bridges, purchases, leases, and equipment. The dollar amount and the expected useful life necessary to qualify as a capital improvement shall be determined by the Finance Committee based on prevalent conditions, economic and otherwise.

~~Section 2. ADMINISTRATION.~~ The Capital Improvement Program shall include the following provisions: Each Town board, committee, and department which proposes capital expenditures shall provide annually to the Finance Committee, on or before a date specified by the Finance Committee, a Capital Improvement Program Report which shall include:

- ~~a. A summary of its contents.~~
- ~~b. A list of all capital improvements proposed to be undertaken during the next five (5) years, with supporting information as to the needs of each such capital improvement.~~
- ~~c. Cost estimates, methods of financing, recommended priorities and time schedules, and expected useful life for each improvement, and~~
- ~~d. The estimated annual cost of operating and maintaining each facility and piece of major equipment involved.~~

~~This information is to be revised annually with regard to the capital improvements still pending and/or in the process of being acquired, improved, or constructed.~~

~~Section 3. SUB-COMMITTEE.~~ In order to review and summarize the various Capital Improvement Program Reports, the Finance Committee may appoint a sub-committee in its stead. Such a committee shall have as its chairperson a member of the Finance Committee. Except for

~~members of the Finance Committee, no person holding any Town office, elected or appointed and no employee of the Town shall be eligible to serve as a voting member on any capital improvement review sub-committee. The Executive Secretary shall be a nonvoting member of any such subcommittee for the purpose of fulfilling those duties outlined in Article XXXV of this By-law. The Finance Committee may appoint other Town employees or persons holding Town office as nonvoting ex-officio members of any such sub-committee. Amended S.T.M. 11/21/1991~~

~~**Section 4. REPORT.** The resulting review and summary shall be known as the Annual Capital Improvement Summary. This summary, along with the Finance Committee's relevant recommendations, shall be included in and published as a separate Section in the Annual Finance Committee Report and in the Town Report.~~

Note; Article XXXIII is deleted because it is replaced by provisions in the Fiscal Procedures Article.