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CHAPTER VI FINANCE AND TAXATION

SECTION 6.1 FISCAL YEAR

The Fiscal Year of the Town shall begin July 1 and end on June 30 of the following calendar year.

SECTION 6.2 BOARD OF FINANCE

6.2.1 ORGANIZATION

The Board of Finance shall meet within fourteen (14) days after taking office per [Section 2.2.3](#) for organizational purposes. The Board shall elect from its membership a chairman, vice chairman and a clerk. A regular meeting schedule and a procedure for calling special meetings shall be established. Any other business of an organizational nature may be accomplished four (4) members shall constitute a quorum. Four (4) members voting affirmatively shall be required to transact business except to adjourn or set a meeting date and time. Minutes of all meetings shall be recorded and filed in accordance with Section 1-19 of the CGS.

6.2.2 POWERS AND DUTIES

The Board of Finance shall have those powers and duties expressly provided by this Charter and those provided in the CGS not in conflict with this Charter.

6.2.3 COMPENSATION

The members of the Board of Finance shall serve without compensation. Expenses incurred by the members in the performance of their duties may be reimbursed from an appropriation authorized for that purpose.

6.2.4 HOLDING OTHER OFFICE

No member of the Board of Finance shall hold any other office of the Town Government, elected or appointed.

SECTION 6.3 ANNUAL AUDIT

The Board of Finance annually shall designate an independent public accountant or a firm of independent public accountants to audit the books and accounts of the Town as required in the CGS. Any recommendations made by the auditor for the improvement of the Town's system of internal accounting controls and/or record keeping shall not become effective until reviewed with the Treasurer and approved by the Selectmen.

SECTION 6.4 TREASURER

The Treasurer shall receive all monies belonging to the Town and disburse monies on the order of the proper authority. He shall keep accurate records required by the CGS. He shall have the powers and duties provided in this Charter, as well as the CGS. He shall perform the duties prescribed in [Section 3.4.16](#). The Treasurer shall execute any financing provisions required

and authorized in the approval of any appropriation provided in [ection 6.6](#)

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SECTION 6.5 PREPARATION OF THE BUDGET

6.5.1 PRELIMINARY BUDGET ESTIMATES

It shall be the duty of the Selectmen to compile the preliminary estimates for the proposed Annual Budget. At least ninety (90) days before the Annual Budget Meeting, the head of each office, board, commission or agency of the Town, except the Board of Education, hereafter referred to as office, supported wholly or in part from Town funds or for which a specific appropriation is made, shall submit to the Selectmen in a prescribed format a detailed estimate of the revenues and expenditures applicable to this office in the next fiscal year. Although these estimates may not have formal documentation, related approvals or commitments at this time, sufficient information shall be presented with the estimates or proposals. Any office shall be entitled to be heard by the Selectmen with respect to such estimates submitted.

6.5.2 DUTIES OF THE BOARD OF SELECTMEN ON BUDGET

The Selectmen shall prepare a proposed budget consisting of itemized:

(a) Estimates of revenue to be collected or received in the next fiscal year;

(b) Expenditures for each office for the last completed fiscal year;

(c) Expenditures for each office as estimated for the current fiscal year;

(d) Requests of each office for the next fiscal year and the recommendations of the Selectmen on these requests;

(e) Capital requests from the financial plan per Section 3.3.7. At least sixty (60) days before the Annual Budget Meeting, the Selectmen shall present in a prescribed format the proposed budget to the Board of Finance.

6.5.3 DUTIES OF THE BOARD OF EDUCATION ON BUDGET

At least sixty (60) days before the Annual Budget Meeting, the Chairman of the Board of Education shall present to the Board of Finance an itemized estimate of the proposed public school budget and of all educational revenue other than Town appropriations to be received and used toward educational expenses during the next Fiscal Year. The recommended final budget shall be submitted by the Board of Education thirty (30) days before the Annual Budget Meeting.

6.5.4 DUTIES OF THE BOARD OF FINANCE ON BUDGET

After reviewing the budgets presented by the Boards of Selectmen and Education, the Board of Finance shall prepare a proposed Annual Budget for presentation to a Public Hearing. The Board of Finance may require any office to meet with it to explain requests for funds. Any office shall be entitled to be heard by the Board of Finance with respect to its proposed estimated expenditure when the Board intends to recommend a revised estimate of expenditures for that office.

6.5.5 PUBLIC HEARING ON THE PROPOSED ANNUAL BUDGET

At least fourteen (14) days before the Annual Budget Meeting, the Board of Finance shall hold its final Public Hearing on the proposed Annual Budget. The following itemized information shall be presented:

- (a) A statement of actual receipts from all sources during the last Fiscal Year;
- (b) A statement by classification of all actual expenditures during the last Fiscal Year;
- (c) An estimate of anticipated revenues during the next Fiscal Year from each source other than from local property taxes and an estimate of the amount which should be raised by local property taxation for the next Fiscal Year;
- (d) An estimate of expenditures for the next Fiscal Year;
- (e) The amount of revenue surplus or deficit of the Town at the beginning of the Fiscal Year for which estimates are being prepared;
- (f) A statement of the actual and anticipated receipts and expenditures through June 30 of the current Fiscal Year;
- (g) A statement of the financial resources of the Town including a listing of all indebtedness;
- (h) A line entry of the Regional District #8 Board of Education's assessment on the Town for the next Fiscal Year;

(i) An amount in a contingency fund not to exceed two (2) percent of the total estimated expenditure for the current Fiscal Year. After the hearing (s), the Board of Finance shall then revise the estimate and prepare a proposed Annual Budget for submission to the Annual Budget Meeting.

6.5.6 ANNUAL BUDGET MEETING

The Annual Budget Meeting shall be held on the second Monday in May at which meeting the Board of Finance shall recommend the proposed Annual Budget to the Town. Sufficient copies of the proposed Annual Budget shall be made available for general distribution in the office of the Town Clerk at least five (5) days prior to the budget meeting. In action considered at this budget meeting, no new line items shall be added nor line items increased in the proposed budget. By a majority of the qualified voters present and voting at such meeting, however, an amount less than that recommended in the proposed Annual Budget may be approved. Approval of the proposed or amended proposed Annual Budget shall constitute appropriation of funds up to the amount authorized, beginning the next Fiscal Year, July 1. The expenditure of funds from this budget shall be administered by the Selectmen in accordance with Section 3.4.16. An official copy of the Annual Budget, as approved, shall be filed with the Town Clerk.

6.5.6.1 REJECTION OF THE PROPOSED ANNUAL BUDGET

Should the Annual Town Meeting reject the proposed Annual Budget, the Board of Finance shall consider the same or amended proposed Annual Budget recommendation and schedule another Town Meeting within three (3) weeks of the Annual Budget Meeting. Similar Town Meetings shall be scheduled every three (3) weeks, if necessary, until an Annual Budget is approved.

SECTION 6.6 SPECIAL APPROPRIATIONS

Special appropriations are items not listed in the approved Annual Town Budget.

6.6.1 GENERAL REQUESTS

All requests for special appropriations shall be made in writing to the Selectmen. The Selectmen shall make their comments and recommendations and, if appropriate, include the Treasurer's recommendation on financing and present the request to the Board of Finance for action. The Board of Finance shall act on all requests for special appropriations within thirty (30) days and shall file notice of its action together with the reasons for its action with the Town Clerk within five (5) days after it has acted.

6.6.2 APPROPRIATION LIMIT

The Board of Finance may make such special appropriations up to and including ten thousand dollars (\$10,000) per department budget in any one Fiscal Year from an approved contingency fund.

6.6.3 REQUEST ABOVE APPROPRIATION LIMIT

All requests for special appropriations over ten thousand dollars (\$10,000) shall require a public hearing called by the Board of Finance. After such hearing the Board of Finance shall submit the request with its recommendation, including any financing considerations, to a duly warned Special Town Meeting to be held no later than thirty (30) days after receiving such requests.

SECTION 6.7 TRANSFER OF UNEXPENDED FUNDS

The Board of Finance, when requested by the Selectmen, may transfer unexpended balances from one line appropriation to another in accordance with Section 7-347 of the CGS.

6.7.1 TRANSFER LIMITS

The Board of Selectmen may transfer line item amounts up to two thousand dollars (\$2,000) within any account except for salary accounts, and shall notify the Board of Finance of such transfer within fourteen (14) days after said transfer.

SECTION 6.8 RESERVE FOR CAPITAL AND NON-RECURRING EXPENDITURE FUND

6.8.1 RESERVE FUND

There shall continue to be a Reserve for Capital and Non-Recurring Expenditure Fund. Upon the recommendation of the Board of Finance and approval of the Town Meeting, there shall be paid into said Fund such amounts as may be:

(a) Authorized to be transferred thereto from the General Fund cash surplus available at the end of any Fiscal Year;

(b) Raised by the annual levy of a tax not to exceed two (2) mills for the benefit of such Fund, and, for no other purpose, such tax to be levied and collected in the same manner and at the same time as the regular annual taxes of the Town;

(c) Surplus cash funds already held in reserve and available for such capital and non-recurring expenditures as are contemplated by the provisions of Section 6.8.2. All such monies so accumulated together with all interest that may accrue thereon shall be deposited and held in a separate bank account by the Treasurer and shall be used for the purposes of and in a manner prescribed by [Section 6.8.2](#).

6.8.2 QUALIFICATION AS FUND.

The planning, construction, reconstruction, or acquisition of any specific capital improvement or the acquisition of any specific item of equipment of such category, character, or nature as not to be a purpose or object for which an appropriation is customarily made annually, shall qualify as a capital and non-recurring expenditure. Upon the recommendation of the Board of Finance and approval of the Town Meeting, any part or the whole of such Fund may be used for the financing, in part or in full, of such projects or acquisitions. Upon the approval of any such project or acquisition, an appropriation shall be set up plainly designated for the specific project or acquisition for which it was authorized and such unexpended appropriation may continue, subject to the limitations of [Section 6.8.3](#) and until such project or acquisition is completed. Any unexpended portion of such appropriation remaining after such completion shall revert to the Fund.

6.8.3 TERMINATION OF FUNDS

Any appropriation set up pursuant to the provisions of [Section 6.8.2](#) may at any time subsequent to the effective date of such appropriation, upon recommendation of the Board of Finance and approval of a Town Meeting, be terminated. If no expenditure from or encumbrance of any such appropriation has been made within the period of three (3) fiscal years next succeeding the effective date of such appropriation, such appropriation shall be terminated upon approval of a duly warned Town Meeting. The Fiscal Year in which such appropriation was authorized shall be deemed the First Fiscal Year of such three (3) year period.

6.8.4 CONTROL OF FUND

The Board of Finance, the Town Meeting and any Town Officials who may be concerned with the operation of this Fund shall have any and all further powers, as provided in Chapter 108 of the CGS, necessary to implement and administer the operation of this Fund and not specifically granted herein.

SECTION 6.9 EMERGENCY APPROPRIATIONS

For the purpose of meeting a public emergency threatening the lives, health or property of citizens, or of property of the Town, or the proper functioning or operation of the Town,

emergency appropriations, the total amount of which shall not exceed ten thousand dollars (\$10,000) for any one occurrence in any one Fiscal Year, may be made by a vote of not less than two-thirds of the entire membership of the Selectmen, provided that the Selectmen shall decide that a delay in making the emergency appropriation would jeopardize the lives, health or property of citizens, or the property of the Town. In the absence of an available unappropriated and unencumbered General Fund cash balance to meet any such appropriations, additional means of financing shall be provided in such manner, consistent with the provisions of the CGS and of this Charter, as may be determined by the Selectmen with the advice of the Treasurer and the Board of Finance.

SECTION 6.10 SETTING MILL RATE

Within six (6) days after the adoption of the Annual Town Budget per Section 6.5.6, the Board of Finance shall meet and set a mill rate required to generate tax revenue to pay the expenses and appropriations of the Town for the next Fiscal Year. Should an Annual Town Budget not be adopted by the start of the next Fiscal Year, July 1, per provisions of Section 6.5.6, the Selectmen shall set a mill rate required to generate tax revenue to pay the expenses and appropriations as last recommended by the Board of Finance under the provisions of Section 12-123 of the CGS.

6.10.1 COLLECTION OF TAXES

The Tax Collector shall collect all taxes due in accordance with the CGS. The taxes shall be due July 1 and January 1 unless otherwise fixed by Ordinance.

SECTION 6.11 ACCOUNTING AND EXPENDITURES

6.11.1 ACCOUNTING OF FUNDS

The Town's financial records shall be maintained in accordance with generally accepted

accounting principles (CGS Section 7-399).

6.11.2 EXPENDITURE OF FUNDS

No officer or agency of the Town shall expend or enter into any contract which would obligate the Town to expend in excess of an approved appropriation. Any officer who, without authority from this Charter or the CGS expends or causes to be expended any money of the Town, except in payment of final judgments rendered against the Town shall be liable in a civil action in the name of the Town, as provided in the CGS.

SECTION 6.12 BORROWING

The Town shall have the power to incur indebtedness by issuing its bonds and/or notes as provided by the CGS and subject to the following limitations. The issuance of bonds and/or notes totaling not more than ten (10) percent of the current tax levy for any single purpose in any one Fiscal Year may, after consideration by the Board of Finance, be authorized by majority vote at a duly warned Town Meeting. Any resolution authorizing the issuance of bonds and/or notes for any amount over ten (10) percent of the current tax levy shall, after a Public Hearing and consideration by the Board of Finance, be submitted for approval by referendum vote at a general or special election. An affirmative referendum vote shall consist of a majority or more in the affirmative and such majority shall consist of not less than fifteen(15) percent of the eligible voters. The Town may, however, without such referendum vote, borrow in anticipation of taxes by resolution an amount not to exceed such taxes, after consideration of the Board of Finance and adoption by a majority vote of qualified voters present and voting at a duly warned Town Meeting. Any amount borrowed in anticipation of taxes shall be repaid within the same Fiscal Year.

SECTION 6.13 CONTRIBUTIONS

The Town shall make no contributions to any organization or private corporation except as herein provided or authorized by the CGS. No such contribution of more than two thousand dollars (\$2,000) shall be made to any such organization or corporation unless the Town is represented on its board by one or more members nominated thereto by the Selectmen

6.13.1 PRINCIPAL LIBRARY

The Richmond Memorial Library Association shall be considered the principal library of the Town and may be given monies by the Town for its operation when authorized by the Annual Town Budget.