

## MINUTES OF MEETING OF THE BUDGET - ELECTION GROUP OF THE CHARTER REVISION COMMISSION

Members of the Charter Revision Commission met on Thursday May 21, 2015 at 2:00 p.m. in Room 1 of the Municipal Building, 3 Primrose Street, Newtown, CT.

Members present were Kevin Burns, James Ritchie, George Guidera and Robert Hall.

The members discussed revisions to the Charter regarding the budget process and specifically reviewed specific corrections or clarifications of the work on revised Chapter Six dealing with the Town Budget. The group agreed to submit the revised Chapter Six to the entire commission for its consideration. Revised Chapter Six is attached as Exhibit A to these minutes.

The group also discussed revisions to the Charter dealing with Elections, Town Meetings and Referenda. The group agreed that the Town Meeting should be eliminated. Changes to the criteria for a referendum by petition were raised but the prevailing view of the group was that the existing criteria were adequate. The remaining revisions were reviewed and generally agreed upon. A revised Chapter Three will be prepared incorporating the group's discussion.

The Meeting ended at 4:10 pm.

1 6-00 Budget Process

2  
3 6-01 GENERAL

4 (a) Definitions. The following terms shall have the meaning ascribed to them in the  
5 referenced section of this Charter:

- 6 (1) Board of Education Budget - 6-05 (a)
- 7 (2) First Selectman's Budget - 6-05 (b)
- 8 (3) Board of Selectmen's Budget - 6-05 (b)
- 9 (4) Recommended Board of Finance Budget - 6-15 (c) (3)
- 10 (5) Town Budget - 6-20 (c)
- 11 (6) Annual Budget Referendum - 6-25 (a)
- 12 (7) Special Appropriation - 6-35 (a)
- 13 (8) Emergency Appropriation - 6-35 (a)

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15 6-02 THE BUDGET CONFERENCE.

16 (a) Prior to November 1<sup>st</sup>, town officials responsible for the budget should meet at reasonably  
17 convenient times and confer. The conferees should discuss and review the status of the existing budget,  
18 existing programs, goals that are desirable to achieve, expenditures required to achieve such goals, the  
19 affordability of required expenditures and other subjects relevant to the budget. The conferees shall  
20 include the First Selectman, Superintendent of Schools, the Chair of the Legislative Council and all or  
21 selected members of the Board of Selectman, Board of Education, Board of Finance and up to three  
22 additional members of the Legislative Council.

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24 6-05 PREPARATION OF THE BOARD OF SELECTMEN AND BOARD OF EDUCATION BUDGET  
25 PROPOSALS.

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27 (a) Not later than February 14<sup>th</sup>, in such form and with such supporting data as the Board of  
28 Finance shall require, the Board of Education shall submit to the Board of Finance an itemized estimate  
29 of expenditures proposed for the provision and maintenance of good public elementary and  
30 secondary ~~Town public~~ schools and an itemized estimate of all revenue other than Town appropriations  
31 to be received by the Board of Education for its use during the next fiscal year (the "Board of Education  
32 Budget").

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34 (b) At such time and in such manner as the First Selectman may require, not later than  
35 December 1<sup>st</sup>, every other Department of the Town shall present to the First Selectman an itemized  
36 estimate of the expenditures to be made by and revenues to be received by such departments during the  
37 next fiscal year. After such revisions as the First Selectman may make, the First Selectman shall submit a  
38 comprehensive estimate of expenditures, (the "First Selectman's Budget") to the Board of Selectman by  
39 February 1<sup>st</sup>. The estimates shall be accompanied by such other reports and information as the Board  
40 of Selectmen may require. The Board of Selectmen shall then revise the estimates, as it deems desirable  
41 and submits the revisions to the Board of Finance in such form and with supporting data as the Board of  
42 Finance shall require no later than February 14<sup>th</sup>, (the "Board of Selectmen's Budget").

43 (c)

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45 6-10 ROLE OF THE FINANCE DIRECTOR.

46 (a) The Finance Director shall advise all the Departments of the Town participating in the budget  
47 process at such times and manner as they may reasonably request.

48 (b) The Finance ~~director-Director~~ shall ~~prepare and~~ maintain a budget document comprised of the  
49 proposed Board of Selectmen Budget and including to the extent allowed by the Connecticut General  
50 Statutes the Board of Education Budget. Estimated revenues, including sources of such revenues and an  
51 estimated tax levy shall be added by the Finance Director to the budget document.

52 (c) The Finance Director shall maintain the budget document throughout the budget process  
53 described in sections 6-05 through 6-25, amending said document as required by the Board of Finance  
54 and the Legislative Council.

55 (d) The Finance Director shall be responsible for causing the publication of the proposed budgets  
56 whenever publication is required by the provisions of this Charter.

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#### 58 6-15 FINANCIAL REVIEW OF THE PROPOSED BUDGETS BY THE BOARD OF FINANCE

59 (a) The Board of Finance shall conduct a public hearing not later than the first Wednesday in March on  
60 the proposed budgets and at said hearing or any adjournment thereof it shall hear all Resident Electors  
61 or taxpayers who may desire to be heard relative to the proposed budgets.

62 (b) The proposed budgets shall be published in a newspaper having a substantial circulation in the  
63 Town not later than five (5) days prior to said hearing. The publication shall include the proposed  
64 budgets showing in parallel columns, for each item, the sum budgeted for the current fiscal year, the sum  
65 expended for the prior fiscal year and the sum proposed for the fiscal year and the estimated tax rate for  
66 the fiscal year.

67 (c) The Board of Finance shall hold working sessions and shall revise the proposed budgets as it deems  
68 desirable. The Board of Finance shall:

69 (1) Make such changes in any estimates or appropriations contained in the proposed budgets as it  
70 ~~may~~ shall deem proper;

71 (2) Add appropriations or estimated revenues not contained in the proposed budgets; and

72 (3) Prepare a complete financial plan for the current operations of the Town for the next fiscal year (the  
73 "Recommended Board of Finance Budget") ~~which-~~ It shall contain at least the following:

74 (i) A simple, clear, general summary of the contents, showing estimated revenues and total  
75 appropriations equal in amount;

76 (ii) The proposed expenditures in detail including provisions for any adjustments to the  
77 unassigned fund balance for the prior fiscal year, for debt service requirements, and for all other  
78 expenditures for the next fiscal year, including an appropriation for contingencies to be met from  
79 current revenues. All proposed expenditures should be classified in such manner as the Board of  
80 Finance deems desirable;

81 (iii) The estimated proposed revenues and the amount required from taxes, which shall be the  
82 amounts expected to be received during the next fiscal year; and

83 (iv) An itemized comparative statement by classification of all actual expenditures and receipts  
84 during the last completed fiscal year and the budget appropriations for the current fiscal year as revised  
85 to a recent specified date, together with estimated revenues for the current fiscal year.

86

87 (d) The Board of Finance shall submit to the Legislative Council its Recommended Board of Finance  
88 Budget for the next fiscal year by March 14<sup>th</sup>.

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#### 90 6-20 PREPARATION OF PROPOSED TOWN BUDGET BY THE LEGISLATIVE COUNCIL

91 (a) Upon receipt of the Recommended Board of Finance Budget, the Legislative Council shall cause  
92 sufficient copies thereof to be made available for general distribution in the office of the Town Clerk and  
93 shall hold a public hearing thereon not later than the last Wednesday in March each year. At least five  
94 (5) days prior to said hearing, a notice of the public hearing together with a summary of the budget  
95 recommended by the Board of Finance showing proposed expenditures, anticipated revenues by major  
96 sources, and the amount of revenue to be raised, shall be published, in a newspaper having a substantial  
97 circulation in the Town

98 (b) The Legislative Council shall have the following powers with respect to approval of any item in  
99 the proposed Town Budget:

100 (1) It shall have the power to reduce any item by a majority vote of the Legislative Council of at least six  
101 (6) affirmative votes; and

102 (2) It may increase any item or add items above those provided in the Recommended Board of Finance  
103 Budget only on a two-thirds affirmative vote of the entire membership of the Legislative Council.

104 (3) The Legislative Council may only add or increase items up to the amounts included in the proposed  
105 Board of Selectmen and the Board of Education Budgets.

106 (c) No later than the second Wednesday in April, the Legislative Council shall approve a proposed Town  
107 Budget to be submitted for final adoption at the Annual Budget Referendum (the "Town Budget"). If the  
108 Legislative Council shall not have approved a proposed Town Budget on or prior to said date, then the  
109 Recommended Board of Finance Budget shall be submitted for adoption at the Annual Budget  
110 Referendum.

111 (d) If the Board of Finance shall fail to submit a Recommended Board of Finance Budget to the  
112 Legislative Council by March 14<sup>th</sup>, then the proposed Board of Selectmen and Board of Education  
113 Budgets shall be considered by the Legislative Council. The Legislative Council shall hold a public  
114 hearing on the budgets proposed by the Board of Selectmen and the Board of Education, together with  
115 proposed revenues after giving notice and publication, all as set forth in Section 6-20 (a). The Legislative  
116 Council shall have, when considering and acting upon the proposed Board of Selectmen and Board of  
117 Education Budgets, the same powers granted to the Board of Finance under the provisions of Section 6-  
118 15 (c), and shall exercise said powers by a majority of at least six (6) affirmative votes.

119 (e) If the Legislative Council approves a project in the Capital Improvement Plan for appropriation  
120 and funding for an amount that exceeds the Legislative Council's authority, as established in section 6-  
121 35 (e), the Legislative Council shall use its best efforts to have the appropriation for the project added to  
122 the ballot for the Annual Budget Referendum.

123 (f) Prior to the final approval of a proposed Town Budget by the Legislative Council, the Board of  
124 Selectmen and the Board of Education may amend the proposed budget(s) submitted to the Board of  
125 Finance. If the amendments are approved by the Board of Finance, the Legislative Council shall vote on  
126 the amendments as if they were part of the Recommended Board of Finance Budget. Otherwise the  
127 amendments shall be voted on by the Legislative Council as either deductions, increases or additions, as  
128 the case may be, under section 6-20(b)(1), (2) and (3).

### 129 130 6-25 ANNUAL BUDGET REFERENDUM

131 (a) The proposed Town Budget shall be submitted for adoption at a referendum to be held on the fourth  
132 Tuesday of April between the hours of 6:00 A.M. and 8:00 P.M. (the "Annual Budget Referendum").  
133 Notice of the Annual Budget Referendum and any subsequent referenda, as may be needed and the  
134 proposed Town Budget, together with the mil rate estimated to be necessary to fund the proposed Town  
135 Budget, shall be filed by the Legislative Council with the Town Clerk and published in a newspaper  
136 having a substantial circulation in the Town at least five (5) days prior to the Annual Budget

137 Referendum. At the Annual Budget Referendum, the proposed Town Budget shall be voted on in two  
138 parts; one for the Board of Selectmen budget, and one for the Board of Education budget. The two parts  
139 shall be approved individually by a majority vote. The questions on the Annual Budget Referendum  
140 ballot shall be as follows:

141 Shall the sum of \$\_\_\_\_\_ be appropriated for the Board of Selectmen for the fiscal year?

142 Shall the sum of \$\_\_\_\_\_ be appropriated for the Board of Education for the fiscal year?

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144 The Annual Budget Referendum ballots shall include two advisory questions as follows:

145 If the proposed sum of \$\_\_\_\_\_ for the Board of Selectmen is not approved, should the revised  
146 budget be higher?"

147 Yes \_\_\_\_\_

148 No \_\_\_\_\_

149 If the proposed sum of \$\_\_\_\_\_ for the Board of Education is not approved, should the  
150 revised budget be higher?"

151 Yes \_\_\_\_\_

152 No \_\_\_\_\_

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154 (b) In the event one part fails and one is approved, the part that is approved shall be considered  
155 adopted. In the event that a majority of those voting do not approve one or both parts of the proposed  
156 Town Budget, the Legislative Council shall amend only the non-approved part or parts of the budget.

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158 (1) The Legislative Council shall reconsider and amend the proposed Town Budget within seven (7)  
159 calendar days. When amending the Board of Selectmen Budget, the Legislative Council shall confer with  
160 the First Selectman and one or more members of the Board of Selectmen. When amending the Board of  
161 Education Budget, it shall confer with the members of the Board of Education. The Legislative Council  
162 may also request additional financial advice from the Board of Finance.

163 Subsection (b)(2), Presents two alternative ways to deal  
164 with the LC process after a budget is defeated at a  
165 referendum

166 (2) The Legislative Council shall act on changes to a proposed Town Budget not approved, in whole or in  
167 part at a budget referendum by majority vote of the members present and voting.

168 Or alternative to consider

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170 (2) The Legislative Council shall act on changes to a proposed Town Budget not approved, in whole or in  
171 part at the Annual Budget Referendum as provided in section 6-20(b).

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174 (3) The amended proposed Town Budget shall be filed with the Town Clerk and presented for adoption  
175 by vote at a referendum, pursuant to paragraph 6-20(a), not more than fourteen (14) days following the  
176 date the proposed Town budget was filed with the Town Clerk. The ballot for each successive  
177 referendum shall include the applicable advisory question(s).

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179 (c) When a part of the proposed Town Budget is approved by referendum vote, the action is final  
180 and not subject to additional referenda.

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182 (d) When a part or parts have been approved by majority vote, the Board of Selectman and the  
183 Board of Education shall amend the proposed Board of Selectman or the proposed Board of Education  
184 Budget(s) to reflect the voter approved appropriations, which amended budgets shall be available for  
185 public inspection.

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187 (e) In the event a Town Budget has not been adopted by July 1<sup>st</sup>, the Town may levy, collect and  
188 expend any monies in the manner provided for in the General Statutes.

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190 **6-26 LOCAL QUESTIONS ON BALLOT**

191 (a) The Legislative Council, with at least 6 affirmative votes, may place local questions on the Annual  
192 Budget Referendum ballot.

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194 **6-30 LAYING OF TAXES**

195 (a) Following the adoption of the Town Budget for the next fiscal year, the Legislative  
196 Council shall meet and, with due provision for estimated and uncollectible taxes, abatements and  
197 corrections, shall lay such tax on the last completed Grand List at a mil rate that shall be sufficient, with  
198 the income from other sources, to meet the estimated expenses of the Town for the next fiscal year. The  
199 tax laid shall be based on facts known and estimates made at the time the Legislative Council acts and  
200 may be different from the mil rate estimated prior to the Annual Budget Referendum or any subsequent  
201 referendum even though the budget adopted is the same as the budget recommended to the Annual  
202 Budget Referendum or any subsequent referendum.

203 (b) The Tax Collector shall collect the tax in accordance with the General Statutes. Taxes shall be  
204 delinquent and interest charged in accordance with Section 12-146 of the General Statutes and any  
205 amendments thereto. Real estate tax bills of \$50 or more shall be due and payable in 2 semi-annual  
206 installments, July 1 and January 1. Real estate taxes amounting to less than \$50 shall be due and payable  
207 July 1.

208 **6-35 SPECIAL AND EMERGENCY APPROPRIATIONS**

209 (a) A "Special Appropriation" is any appropriation of additional funds made during a fiscal year that  
210 is supplemental to an adopted Town Budget. An "Emergency Appropriation" is an appropriation  
211 required for an unforeseen or extraordinary event or threat to public health, safety, or welfare, or to the  
212 ongoing delivery of essential Town services. The Board of Finance shall have an opportunity to make a  
213 recommendation regarding a proposed Special Appropriation, but such a recommendation is not  
214 required for an Emergency Appropriation.

215 (b) A request for a Special or Emergency Appropriation may be initiated by the First Selectman with  
216 the approval of the Board of Selectmen or by the Legislative Council. The request shall include an  
217 estimate of the funds required, the reasons therefore, and a proposed method of financing. Methods of  
218 financing include, without limitation, issuing notes or bonds of the Town or laying a special tax on the  
219 Grand List last completed. The Finance Director shall prepare a financial impact statement for requests  
220 for Special Appropriations.

221 (c) If the First Selectman initiates an Emergency Appropriation request, the appropriation may be  
222 approved by a majority vote of the Legislative Council, otherwise the Emergency Appropriation must be  
223 approved by the affirmative vote of two-thirds of the entire authorized membership of the Legislative  
224 Council.

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(d) The Legislative Council shall request from the Board of Finance a recommendation as to whether or not a Special Appropriation, should be made. The Board of Finance shall provide such recommendation within 30 days of the request by the Legislative Council. After said 30 days, the Council may act on the request without a recommendation from the Board of Finance.

(e) The Legislative Council shall have the power to make Special and Emergency Appropriations, in an amount not in excess of \$500,000 for any one purpose during a fiscal year. Said amount shall be cumulative during the fiscal year as to all appropriations related to said purpose. The total of Special and Emergency Appropriations made by the Legislative Council for all purposes during a fiscal year shall not exceed an amount equal to one half of one mil on the most recently completed Grand List.

(f) The Legislative Council shall have the power to make Special Appropriations of any amount that is necessary to implement agreements reached through the process of collective bargaining. The Legislative Council shall recommend to a Town referendum all Special and Emergency appropriations that equal or exceed the Legislative Council's authority. The Legislative Council, after consulting with the Finance Director, shall recommend a method of financing the Special or Emergency Appropriation that shall be included by the Board of Selectman in the warning of the referendum.

(g) If a Special or Emergency appropriation is voted for a purpose requiring the expenditure or encumbrance of funds during a fiscal year for which an annual budget has been adopted but the tax has not yet been laid in accordance with Section 6-30 (a) of this Charter, it may be financed by being included in the mil rate for said fiscal year.

#### 6-40 GRANTS OR OTHER FINANCIAL ASSISTANCE

(a) Grants and other forms of financial assistance, whether from the State of Connecticut, the United States or any other source, shall be subject to review for their financial impact on the Town. The Board of Selectmen, the Finance Director and the department requesting a grant or other form of financial assistance shall submit a financial impact statement to the Legislative Council that evaluates the impact of the commitments and the conditions required of the Town by the grant or financial assistance on present and future Town Budgets, Town Plans for Development and Capital Improvement Plans. The Impact statement shall be submitted and reviewed before any action is taken that commits the Town to accept said grant or financial assistance.

This covers the parts of the budget process that are in the proposed Table of Contents for new chapter six. The remainder of existing Chapter Six either belongs to the discussion of financial processes proposed for new Chapter Seven or is recommended for deletion.