

## **Finance Committee Bylaw**

### **Section 1: Organization of the Finance Committee**

- 1.1 The Finance Committee shall consist of seven (7) persons who shall be residents and registered voters of the Town, none of whom may be officers or officials of the Town, whether elected or appointed, compensated employees of the Town, or members of any other committee, board, or commission of the Town, unless authorized by bylaw or authorized by vote of the Select Board in accordance with Section 1.7. The members of the present Finance Committee in office at the time this bylaw, or amendments thereto, shall become effective, shall complete their terms of office.
- 1.2 Appointments to the Finance Committee shall be made by the Town Moderator for a term of three (3) years, such term expiring at the close of the respective Annual Meeting to which such three-year term relates.
- 1.3 If a member of the Finance Committee shall choose to resign or not opt for re-appointment following the expiration of their term, such member shall send a letter of such notification to the Town Moderator with a copy sent to the Town Clerk and the Finance Committee chairperson informing them of this decision. If a member is absent for five consecutive Finance Committee meetings, their position may be deemed to be vacant by vote of the Finance Committee, whereupon the Finance Committee chairperson will notify the Town Moderator. In all such instances, efforts will be undertaken to fill such vacancies.
- 1.4 Any person appointed to fill a vacancy on the Finance Committee shall hold office for the unexpired term of the member they have succeeded.
- 1.5 Finance Committee members shall serve without compensation.
- 1.6 The Finance Committee shall reorganize annually by electing its officers for the ensuing year.
- 1.7 Notwithstanding Section 1.1, a member of the Finance Committee may serve on any committee, board, or commission of the Town if authorized by bylaw or if authorized by vote of the Select Board, upon finding that such additional position would be advantageous and of value to the Town.

### **Section 2: Operation of the Finance Committee**

- 2.1 The Finance Committee shall be responsible for the preparation of the Town's Annual Budget.
- 2.2 While individual department budgets shall be prepared by respective department heads in consultation with the Town Administrator, the overall preparation of the comprehensive consolidated Annual Budget shall be the responsibility of the Finance Committee for presentation at the Annual Town Meeting each year.

- 2.3 Although there may exist certain policies elsewhere that may address, directly or indirectly, matters involving the Annual Budget including some policy procedures as to the Annual Budget's development, Finance Committee bylaws shall take authoritative precedence over such policies as relates to the preparation of the Annual Budget.
- 2.4 Not later than January 15<sup>th</sup> each year, each Department, Town committee, board, and commission, excluding the schools/school committees, shall submit budget requests together with a detailed narrative describing and explaining requested expenditures and/or appropriations to the Town Administrator, who shall submit a consolidated Annual Budget request to the Finance Committee not later than February 1st each year.
- 2.5 Information relating to the immediate prior year's actual expenditures and the current year-to-date actual expenditures shall be made contemporaneously available for comparative purposes to those budget amounts being requested.
- 2.6 Upon request by the Finance Committee, appropriate persons in the town administration shall furnish to the Finance Committee a detailed listing of all support and revenues to be included in the Annual Budget, including but not limited to, state aid, tax levy, local revenues, new growth, and all other such sources. Such information shall include best forecasts and projections, comparisons with historical trends and actual realized levels of prior year's revenue for comparative purposes.
- 2.7 The Finance Committee shall be invited to actively participate in any meetings that the Select Board may schedule with outside third parties whereupon matters of a finance or budget nature are planned for discussion or presentation. Such meetings shall include, but not be limited to, those with the Wachusett Regional School District, the Bay Path Regional Vocational Technical School, the external independent audit firm, and others as deemed appropriate.

### Section 3: Time Frame of the Finance Committee Operation

- 3.1 The Finance Committee shall commence work on the Annual Budget each year at such time determined by the Finance Committee chairperson.
- 3.2 Convening of such Finance Committee meetings shall be contingent upon the timely submission of budgets and budget requests from respective departments.
- 3.3 Such budget requests shall be submitted to the Finance Committee on or before a date to be reasonably determined each year by the Finance Committee given that conditions and circumstances may vary from year to year. Once such a date is declared, extension of time beyond that date shall be granted by the Finance Committee chairperson based upon special considerations.

- 3.4 If any department, Town committee, board, and commission shall fail to submit a budget request by March 1 of any given year, then the Finance Committee may recommend a substituted budget not to exceed the amount expended for said department during the prior fiscal year.
- 3.5 The Finance Committee's work on the Annual Budget shall be concluded in sufficient time to meet Warrant Article deadlines established by the Select Board.
- 3.6 Upon closing by the Selectboard of the Town Warrant issued for the Annual Town Meeting and/or Special Town Meetings, the Finance Committee shall consider all articles contained in the Town Warrant and make recommendations to the voters on all such articles as to approval, disapproval, or other action.
- 3.7 Through the Chair, the Finance Committee shall have, upon request, free access to all pertinent budget and financial information not deemed to be confidential by law. Likewise, the Finance Committee shall have the right to meet with and/or discuss this information with any Town officer, official, employee, board, commission, and committee or member thereon.
- 3.8 Contained within the Annual Town Meeting Warrant shall be a cover letter describing major changes in the present budget from that of the previous fiscal year as well as commentary concerning any fiscal matters deemed important to report by the Finance Committee.
- 3.9 The Finance Committee shall make an Annual Report which shall be printed in the Town Report for that Fiscal Year.

ATM 6/5/2023 Article 12

Approved by the Attorney General 9/5/2023 (Case #11061)

Effective 9/5/2023