

ARTICLE VIII FINANCE

8-1 FISCAL YEAR

The fiscal and budget year of the Town shall begin on the first (1st) day of July and end on the thirtieth (30th) day of June.

8-2 PREPARATION OF BUDGET

At such time as may be requested by the Manager or specified by the Administrative Code, each officer or director of a department shall submit an itemized estimate of the expenditures and any revenues for the next fiscal year for the departments or activities under their control to the Manager. The Manager shall, based on these estimates and other data, prepare a recommended budget which shall, together with these department estimates, be submitted to the Council on such date as the Council shall establish. In presenting the budget to the Town Council, the Manager shall also include a detailed report of estimated revenues other than those to be derived from real estate taxes, paying particular attention to enterprise departments or activities, and an estimate of the impact on the Town portion of the tax rate. The Council shall review the budget for the following fiscal year and make such modifications and amendments as it desires.

8-3 BUDGET HEARINGS

The Council shall hold in convenient places as many public hearings on the budget as it deems necessary. However, at least one (1) public hearing on the budget shall be scheduled in accordance with the provisions of RSA 40:13, II-b. Notice of such public hearing and the first session of the Annual Meeting, together with a copy of the budget documents as required by New Hampshire State Law, shall be posted in at least two (2) public places. A copy of the budget shall be available to the public at the office of the Town Manager during regular business hours. In addition, notice of such public hearing and the first session of the Annual Meeting shall be published in a newspaper of general circulation in the Town, as well as the posting of the notice in at least two (2) other public venues as the Town Council may designate in accordance with RSA 40:13, II-b.

8-4 FINAL ADOPTION OF BUDGET

A. Notwithstanding RSA 39:3-d and RSA 40:4-e, the Town of Merrimack shall utilize the official ballot for voting on all budgetary issues before the voters.

B. The warrant for any Annual Meeting shall prescribe the place, day, and hour for each of two (2) separate sessions of the meeting, and notice shall be given in accordance with RSA 39:5.

C. The first session of the Annual Meeting, which shall be for the transaction of all business other than voting by official ballot shall be held between the second Tuesday of March and the Saturday following the second Tuesday in March, at a time prescribed by the Town Council.

The second Tuesday in April shall be deemed the Annual Meeting date for purposes of all applicable statutes pertaining to hearings, notice, petitioned articles, and warrants, including, but not limited to, RSA 31:95-d, RSA 32:5, RSA 33:8-a, RSA 39:3 and RSA 39:5. RSA 39:3 shall only be used for the purpose of petitioned warrant articles for appropriations.

D. The first session of the Annual Meeting, governed by the provisions of RSA 40:4, RSA 40:4a, RSA 40:4b, RSA 40:4f, and RSA 40:6-10, shall consist of explanation, discussion, and debate of each warrant article. Warrant articles may be amended, subject to the following limitations:

(1) Warrant articles whose wording is prescribed by law shall not be amended.

(2) Warrant articles that are amended shall be placed on the official ballot for a final vote on the main motion, as amended.

E. All budgetary warrant articles shall be placed on the official ballot for a final vote.

F. The second session of the Annual Meeting shall be held on the second Tuesday in April to elect, by official ballot, officers of the Town and to act upon questions required by law to be inserted on said official ballot, such articles for bonds and notes as may be presented, and to vote on all appropriation warrant articles from the first session. Notwithstanding RSA 669:1, the second session shall be deemed the annual election date for purposes of all applicable election statutes including, but not limited to, RSA 669:5, 669:19, and 669:30.

G. The Town Clerk shall prepare an official ballot, which may be separate from the official ballot used to elect officers, for all warrant articles. Wording shall be substantively the same as the main motion, as it was made or amended at the first session, with only such minor textual changes as may be required to cast the motion in the form of a question to voters.

H. "Operating Budget" as used in this Section means a statement of recommended appropriations and anticipated revenues submitted to the Annual Meeting as an attachment to, and as part of the warrant for, an annual or special meeting, exclusive of "special warrant articles", as defined in RSA 32:3, VI.

I. If no operating budget article is adopted, the Town either shall be deemed to have approved a "Default Budget," which shall be developed in accordance with RSA 40:13, IX (b), or the Town Council may hold a special meeting to take up the issue of a revised operating budget only; provided that RSA 31:5 shall not apply to such a special meeting. If no operating budget article is adopted, the estimated revenues shall nevertheless be deemed to have been approved.

J. The wording of the article on the operating budget shall be as follows: "Shall the Town raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriates voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$_____? Should this article be defeated, the default budget shall be \$_____, which is the same as last year, with certain adjustments required by previous action of the Town or by law; or the Town Council may hold one (1) special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only."

K. Voting at the second session of the Annual Meeting shall conform to the procedures for the nonpartisan ballot system as set forth in RSA 669:19-29, including all requirements pertaining to absentee voting, polling places, and polling hours.

L. Warrant articles concerning the issuance of bonds or notes shall be placed on the official ballot for approval by the voters. Approval of all warrant articles shall be as provided by New Hampshire State Law.

M. Votes taken at the second session of the Annual Meeting shall be as provided by New Hampshire State Law.

N. Votes taken at the second session of the Annual Meeting shall not be reconsidered except by warrant article at a subsequent annual or special meeting.

O. The warrant for any special meeting shall prescribe the date, place and hour for both a first and second session. The second session shall be warned for a date not fewer than twenty-eight (28) days nor more than sixty (60) days following the first session. The first and second sessions shall conform to the provision of this subdivision pertaining to the first and second sessions of annual meetings. Special meetings shall be subject to RSA 31:5 and 39:3 provided that no more than one (1) special meeting may be held to raise and appropriate money in any one (1) calendar year or fiscal year, whichever applies, and further provided that any special meeting held pursuant to this Section shall not be subject to RSA 31:5 and shall not be counted toward the number of special meetings which may be held in a given calendar or fiscal year.

P. The Council may make emergency expenditures in accordance with the provisions of the NH Municipal Budget Law (RSA 32) as the same may be amended from time to time.

8-5 BORROWING PROCEDURES

A. Subject to the applicable provisions of New Hampshire State Law and the rules and regulations provided by ordinance in the Administrative Code, the Council may authorize by resolution the borrowing of money for any purpose within the scope of the powers vested in the Town and the issuance of bonds of the Town or other evidence of indebtedness therefore and may pledge the full faith, credit, and resources of the Town for payment of the obligation created hereby; provided that no notes or bonds shall be issued by the Council except by a vote of four (4) Councilors and a vote at a regular or special Town meeting as provided by Section 8-4 of this Charter. Notification and posting of such bond issues shall be in the same manner as if it were a bond issue of a town pursuant to RSA 33, with voting by official ballot at a regular or special Town meeting.

B. The Council may borrow in anticipation of taxes.

8-6 LAPSE OF APPROPRIATIONS

All appropriations shall lapse at the end of the fiscal year and any unexpended portion thereof shall not be expended without further appropriation, except as provided in RSA 32:7 as the same may be amended from time to time.

8-7 QUARTERLY BUDGET REPORTS

Quarterly, and more often if required by the Council, the Manager or his designee shall submit to the Council data showing the relation between the estimated and actual income and expenses to date, together with outstanding indebtedness and estimated future expenses, anticipated transfers, other major variances to the operating budget, active and anticipated risks to the Town which may impact the operating budget, and other reports related to present or future revenues and expenses which the Council may require.

8-8 TRANSFER OF APPROPRIATIONS

After the budget has been adopted, no money shall be drawn from the treasury of the Town nor shall any obligation for the expenditure of money be incurred except pursuant to a budget appropriation. The head of any department, with the approval of the Manager, may transfer any unspent balance or any portion thereof from one (1) fund or agency within his department to another fund or agency within his department. The Manager, with the approval of the Council, may transfer any unspent balance or any portion thereof from one (1) department to another.

8-9 CAPITAL IMPROVEMENT PLAN

A. The Town Manager, after consultation with the Planning Board, shall prepare and submit to the Town Council a capital improvements plan at least one (1) month prior to the final date for submission of the budget. The capital improvements program shall include:

- (1)** A clear summary of its contents.
- (2)** A list of all capital improvements including major replacements that are proposed to be undertaken during the next six (6) fiscal years including, but not limited to, equipment, facilities, infrastructure, or property with appropriate supporting information as to the necessity for such improvements.
- (3)** Cost estimates, methods of financing, and recommended time schedule for each improvement.
- (4)** The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.

B. The capital improvements plan shall be based on a period of not less than 6 years and shall be guided by the Master Plan for the Town.

C. The foregoing information may be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.

D. A summary of the updated capital improvements plan with estimated costs shall be included in the Town Report and the current year costs of the capital improvements plan shall be included in the Town Budget.

E. The Town Council shall by resolution adopt the capital improvements plan with or without amendment, provided that each amendment must be voted separately and that any increase in the capital improvements plan as submitted must clearly identify the method of financing proposed to accomplish the increase.

8-10 PURCHASING PROCEDURES

The Administrative Code shall establish purchasing and contract procedure, including the assignment of all responsibility for purchasing to the Manager or his designee and the combination purchasing of similar articles by different departments. The Council shall establish dollar limits for purchases and contracts which must be by competitive bid and shall establish the bidding procedures.

8-11 DEPOSITORY

The Council shall approve to the Treasurer the depository or depositories for Town funds and shall provide for the timely deposit of all Town monies. The Council may require such security for Town deposits as it deems necessary, except that personal surety bonds shall not be deemed proper security.

8-12 BONDING OF OFFICIALS / INDEMNIFICATION

A. Bonding

Any Town officer elected or appointed by authority of this Charter shall be bonded in an amount as required by New Hampshire State Law or dictated by prudent fiscal practice for the faithful performance of the duties of the office. The Manager and all officers receiving or disbursing Town funds shall be so bonded. All official bonds shall be corporate surety bonds, and the premiums thereon shall be paid by the Town. Such bonds shall be filed with the Town Clerk.

B. Indemnification of Officers, Board Members, and Employees

The Town shall undertake to indemnify and save harmless all its officers, officials, boards, commissions, employees, and volunteers from personal loss and expense. Expenses may include reasonable legal fees and costs, if any, arising out of any claim, demand, suit, or judgment by reason of negligent acts or omissions, if the indemnified person was acting in the scope of office or employment and in good faith in accord with the provisions of New Hampshire State Law.

8-13 INVESTMENTS / TRUST FUNDS

The Trustees of Trust Funds shall invest and account for funds under their supervision in accordance with New Hampshire State Law.

8-14 FISCAL CONTROL

The Administrative Code shall establish procedures governing fiscal control of all Town finances, including, but not limited to, a pre-audit of all authorized claims against the Town before payment.

8-15 GRANTS / GIFTS

The Town Council may apply for, accept and expend monies received from the State, Federal, or other governmental units, or from private sources which become available during the fiscal year in accordance with RSA 31:95-b and RSA 31:95-e as the same may be amended from time to time.

8-16 INDEPENDENT AUDIT

Independent compliance and financial audits shall be made of all accounts of the Town at least annually and more frequently if deemed necessary by the Town Council. Such audits shall be conducted according to auditing procedures of the American Institute of Certified Public Accountants, the National Committee on Government Accounting, and other such procedures which may be necessary under the circumstances, by certified public accountants experienced in municipal accounting. Summaries of the results of such audits, including findings and recommendations and any management letters, shall be made public. At least once every five (5) years the Town Council shall change auditors. An annual report of the Town's business for the preceding year shall be made available to the public not later than ninety (90) days after the close of the fiscal year.

8-17 APPROPRIATIONS AFTER BUDGET ADOPTION

Appropriations may be made after budget adoption at the Annual Meeting in accordance with the provisions of RSA 31:5, RSA 32:6, RSA 32:11, and RSA 39:4.

8-18 TOWN TREASURER

A. Treasurer

There shall be a Town Treasurer (hereinafter called "Treasurer") who shall have all the powers and duties granted by this Charter and New Hampshire State Law, provided however that in making investments of Town funds, the Treasurer shall follow the written investment policy as adopted or modified by the Town Council. The Treasurer shall be elected on an at-large basis to a term of three (3) years at the Town Election. Vacancies in the office of Treasurer shall be filled pursuant to New Hampshire State Law.

B. Deputy Treasurer

A Deputy Treasurer may be appointed in accordance with New Hampshire State Law.