

## CHAPTER VII. FINANCE AND TAXATION

### Section 701. Fiscal Year.

The fiscal year of the Town shall begin on the first day of July and end on the 30th day of June.

### Section 702. Budget Procedure.

- A. *Proposed Department Budgets.* On or before January 15 in each year, each officer and the head of each office, board or commission of the Town that is supported wholly or in part from Town funds, except the Regional Board of Education, shall file with the Board of Selectmen a proposed budget for that office, board or commission, inclusive of capital items, for the next fiscal year. Such proposed department budgets shall include the following information<sup>1</sup>:
1. A statement of the actual expenditures and revenues for the prior fiscal year.
  2. A detailed estimate of the total expenditures and revenues anticipated for the current fiscal year.
  3. A detailed estimate of the expenditures and revenues for the next fiscal year, together with the reasons therefor.
  4. A statement setting forth the principal services, activities and work (a) accomplished during the current fiscal year as compared to the prior fiscal year and (b) planned for accomplishment during the next fiscal year.
  5. A statement of goals and objectives for the next fiscal year and a reasonable timetable for their accomplishment.
  6. A budget statement describing the significant features of the proposed department<sup>2</sup> budget for the next fiscal year highlighting major changes from current expenditures and revenues, together with the reasons for such changes.
  7. A statement describing any proposed capital projects to be undertaken in the next fiscal year and the estimated costs for such projects.
  - 7.8. A statement describing how the proposed department budget aligns with the most recently adopted Strategic Plan.<sup>3</sup>
- B. *Duties of the Board of Selectmen.*
1. Proposed BOS Budget. The Board of Selectmen shall review and approve

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<sup>1</sup> CTSH Proposal made 1/29/25

<sup>2</sup> CTSH Proposal made 1/29/25

<sup>3</sup> To be discussed 1/29/25

individually, or modify as it deems appropriate, ~~proposed~~proposed department<sup>4</sup> budgets submitted by Town supported offices, boards and commissions. The Board of Finance may participate in these discussions without voting privileges. Upon completion of their review and approval of the entire budget, the Board of Selectmen shall present their recommended Proposed BOS Budget operating ~~proposed budget~~ for the next fiscal year, including the operating budget<sup>5</sup>, the Pay Plan and the capital budget (for capital items not paid through bonds or other borrowing) to the Board of Finance no later than March 15.

2. Five-Year Capital Plan. The Board of Selectmen shall submit to the Board of Finance with ~~its~~ the Proposed Annual-BOS Budget, for the Board of Finance's review, consideration and comment, a ~~five-year~~ capital plan setting forth proposed municipal capital improvement projects for the next five (5) fiscal years, including, but not limited to, such items in the approved Plan of Development and Conservation-Plan of Conservation and Development<sup>6</sup> as the Board proposes to undertake within those five (5) fiscal years, together with an estimate of the costs of such projects and means of funding such projects.

2.3. Strategic Plan. The Board of Selectmen shall submit to the Board of Finance, with the Proposed BOS Budget and Five-Year Capital Plan, a copy its most recently adopted Strategic Plan and a narrative of how the Proposed BOS Budget facilitates the achievement of such Strategic Plan's goals, objectives and policy priorities.<sup>7</sup>

3.4. Annual Tax Rate. In the event (a) the Final Proposed Town Annual Budget has not been approved by August 1 as provided in this Charter or (b) the Board of Finance fails to set the tax rate as provided in Section 702(C)(6) of this Charter, then the Board of Selectmen shall set the tax rate pursuant to Connecticut General Statutes Section 12-123.

C. *Duties of the Board of Finance.*

1. The Board of Finance shall review the Proposed Annual-BOS Budget and Five-Year Capital Plan submitted by the Board of Selectmen. If not received by March 15 in accordance with 702(B)(1) above, it shall proceed to prepare the Proposed budget Annual Budget using figures from the last approved Annual Budget.

a. As part of their review the Board of Finance may review any item(s) with the Selectmen and/or the officer, board or commission who originally prepared and submitted such item(s).

b. The Board of Finance may increase or decrease any line item in the Proposed Annual-BOS Budget and may add or delete line items.

<sup>4</sup> CTSH Proposal made 1/29/25

<sup>5</sup> CTSH Proposal made 1/29/25

<sup>6</sup> CTSH Proposal made 1/29/25

<sup>7</sup> To be discussed 1/29/25

- c. If the Board of Finance proposes to materially reduce specific items in the ~~Proposed Annual BOS~~ Budget, it shall give the affected offices, boards or commissions the opportunity to meet with the Board of Finance to review the reductions.
- ~~d. As part of the Annual Budget to be approved in the year of election of Town officers pursuant to Section 301, the Board of Finance shall set the proposed salaries for the First Selectman and the rest of the Board of Selectmen for the forthcoming two-year term in office, which shall not be reduced for such term, subject to the provisions of this Charter.~~
2. Thereafter, the Board of Finance shall prepare a ~~Proposed Annual~~ Annual Budget which shall include itemized statements of:
- a. All actual appropriations and expenditures for the prior fiscal year;
  - b. All actual appropriations, expenditures to date and estimated expenditures for the current fiscal year;
  - c. Proposed expenditures for the next fiscal year, which shall include, but are not limited to the following (i) funds for contingency, which shall not exceed one percent (1 %) of the estimated expenditures for the current fiscal year, (ii) ~~the Woodbury's share of the Regional School District 14 budget,~~ Annual Municipal Budget (iii) funds for preparing and distributing notices of Town Meetings and (iv) capital expenditures to the extent not covered through bonds or other borrowings; and
  - ~~d.~~ d. Revenues for the prior fiscal year, ~~Revenues-revenues~~<sup>8</sup> to date and estimated ~~Revenues-revenues~~<sup>9</sup> for the current fiscal year, estimated revenues for the next fiscal year and an estimate of the Operational Surplus available for use in the next fiscal year for the operating budget or for capital projects or for Unassigned Fund Balance.
  - ~~d.e.~~ d.e. A Proposed Annual Budget proposed in the year of election of Town officers pursuant to Section 301 shall also set the proposed salaries for the First Selectmen and the rest of the Board of Selectmen for the forthcoming terms of office. Such salaries identified in the Annual Budget shall not be reduced during the Selectman's term of office, subject to the provisions of this Charter.<sup>10</sup>
3. At least three (3) weeks prior to the Annual Budget Meeting the Board of Finance shall hold a public hearing on the ~~proposed~~ Proposed Annual Budget at which any elector or taxpayer shall have the opportunity to be heard regarding the appropriations proposed for the next year.

<sup>8</sup> CTSH Proposal made 1/29/25

<sup>9</sup> CTSH Proposal made 1/29/25

<sup>10</sup> CTSH Proposed made 1/29/25

4. After such public hearing the Board of Finance shall make such changes in the ~~proposed-Proposed~~ Annual Budget as it shall deem appropriate and shall prepare ~~a the final-Final proposed-Proposed a~~ Annual ~~B~~udget for submission to the Annual Budget Meeting.
5. Copies of the ~~final-Final P~~proposed Annual Budget to be presented to the Annual Budget Meeting shall be available in the Town Clerk's Office not later than one (1) week prior to said Annual Budget Meeting.
6. Within ten (10) days following approval of ~~the e-A~~ Final Proposed Annual Budget, the Board of Finance shall meet and establish the tax rate on the taxable property of the Town for the next fiscal year taking into consideration historical collection rates, efforts to collect delinquent taxes, if any, and the appropriate level of undesignated surplus except as provided in Section 12-123 of the General Statutes and this Charter.

*D. Annual Budget Meeting.*

1. The ~~Final P~~proposed Annual Budget shall be presented by the Board of Finance to the Annual Budget Meeting.
2. The Annual Budget Meeting shall have the power, by majority vote of those present, eligible to vote and voting, to decrease or delete any appropriation in the Final Proposed Annual Budget in full or in part by line item.
3. The Annual Budget Meeting shall have the power, by a two-thirds (2/3) vote of those present, eligible to vote and voting, to increase, by line item, any appropriation recommended by the Board of Finance and/or make an appropriation for any public purpose for which no appropriation was recommended in the budget by said Board.
4. In the event that, at the time of the Annual Budget Meeting, the Region 14 budget has not been approved, the Annual Budget Meeting shall have the power to act upon the Final Proposed AAnnual Budget with the exception of ~~the the portion of the budget attributable to the Town's share of the Region 14 budget (the "Annual Municipal Budget").~~ Budget. When the Region 14 budget is adopted, the Annual Municipal Budget shall be set and added Annual Budget.<sup>11</sup> he amount of the Town's share of the Region 14 budget shall, when it is determined, be added to the Annual Municipal Budget to establish the Annual Budget.
5. The Annual Budget Meeting shall be adjourned for not less than seven (7) days or more than ten (10) days, at which time the Final Proposed Annual Budget, as revised at the Annual Budget Meeting, shall be submitted to referendum ~~by voting~~

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<sup>11</sup> CTSH Proposal made 1/29/25

~~machine~~for Voting by Voting Tabulator<sup>12</sup> for approval. Appropriate notice shall be given of the place, date and time of the ~~a.~~Adjourned Annual Budget Meeting.

6. If the ~~budget~~Final Proposed Annual Budget, as revised at the Annual Budget Meeting<sup>13</sup>, is defeated at referendum, the Board of Finance shall meet not more than five (5) business days from the date of the initial referendum to vote on a revised budget proposal. The Board of Finance shall entertain input from the public and Board of Selectmen at that meeting. The revised budget proposal shall be submitted directly to the ~~electors~~Electors at a referendum to be held fourteen (14) days from the date of the initial referendum, or any subsequent referendum. The powers conferred upon the Annual Budget Meeting by Special Act 259 approved June 22, 1961 shall be limited to the Annual Budget Meeting held prior to the vote on the initial budget proposal but shall not otherwise be exercised prior to any subsequent budget referenda. Notwithstanding anything to the contrary contained herein this Section 702(D)(6), in the event of any special Town Meeting pertaining to any budget matter, the powers of the Special Act 259, approved June 22, 1961 shall apply.
  
7. The process set forth in Section 702(D)(6) above shall be repeated until an annual budget for the Town is approved.<sup>14</sup>

### **Section 703. Transfers and Additional Appropriations.**

#### **A. *Transfers that do not Require Town Meeting Action.***

1. *Transfers within Departmental Appropriations.* In the event that funds are needed for any particular purpose in excess of the amount budgeted for such purpose and funds are available within the appropriation for such office, board or commission, such office, board or commission may, with the prior approval of the First Selectman, transfer funds within the appropriation for such office, board or commission. Such transfers shall not, during the fiscal year, exceed an aggregate of five thousand dollars (\$5,000.00) for any office, board or commission unless a request to do so has been approved by the Board of Finance.
  
2. *Transfers By the Board of Finance.* In the event that funds are needed by any department, office, board or commission in excess of the amount appropriated in the Annual Budget for such department, office, board or commission, or for a purpose for which there is no appropriation in the Annual Budget, such department, office, board or commission shall submit a request for an additional appropriation to the Board of Selectmen. The Board of Selectmen shall review the request and transmit it to the Board of Finance with its recommendation. The

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<sup>12</sup> Adopted at the July 10, 2024 meeting.

<sup>13</sup> CTSH Proposal made 1/29/25

<sup>14</sup> CTSH Proposal made 1/29/25

Board of Finance shall meet and review the request and the Board of Selectmen's recommendation and shall make its decision pursuant to Section 7-348 of the General Statutes. If the Board of Finance approves of such request, it may fund the appropriation by transferring funds from any unexpended appropriation or from the contingency appropriation to the appropriation for such department, office, board or commission, provided no such transfers to any such department, office, board or commission shall in the aggregate during the fiscal year exceed the higher of \$20,000 or 5% of the total approved department budget for the current fiscal year unless the transfer has been approved at Town Meeting.

B. *Transfers and Appropriations Requiring Town Meeting Action.*

- I. If the Board of Finance receives a request for additional funds as provided in Section 703(A)(2) of this Charter, the Board shall submit the request, and its recommendations concerning the request, to a Town Meeting for action in the following circumstances:
  - a. The amount needed exceeds the transfer limits set forth in Section 703(A) of this Chapter; or
  - b. The Board of Finance recommends an additional appropriation rather than a transfer to meet such need; or
  - c. The Board of Finance rejects the request for such additional funds.
2. The Town Meeting may:
  - a. Vote to approve or disapprove a transfer in an amount which exceeds the transfer limit set forth in Section 703(A) of this Chapter; or
  - b. Vote to make the additional appropriation recommended by the Board of Finance; or
  - c. Vote to make an additional appropriation as recommended by the Board of Finance but in a lesser amount; or
  - d. By two-thirds (2/3) vote, make an additional appropriation exceeding the amount recommended by the Board of Finance or for a public purpose not recommended by the Board of Finance; or
  - e. Refuse to make any transfer or additional appropriations.

C. *Emergency Appropriations.* Notwithstanding the Town Meeting requirements of Section 703(B) of this Charter, if the First Selectman requests an appropriation that is required to address a public emergency which threatens public health and safety, public property or the lives, health or property of residents, and if the circumstances are such that the delay in convening a Town Meeting would further imperil the public health and safety, public property or the lives, health or property of residents, the Board of Finance may make such appropriation as it may deem necessary.

- D. *Source of Funds for Additional Appropriations.* Funds for any additional appropriations made by the Town Meeting or any emergency appropriations made by the Board of Finance shall be drawn as directed by the Board of Finance from any available undesignated surplus, the contingency appropriation, funds borrowed in anticipation of receipts of the next tax levied or funds received or to be received from State, Federal or other sources.

#### **Section 704. Purchases, Expenditures and Accounting.**

- A. No purchase shall be made by an office, board or commission except as authorized by the Fiscal Officer, or his designee, as directed by the First Selectman.
- B. No voucher, claim or charge against the Town shall be paid until the same has been reviewed and approved for correctness and validity against available appropriations by the Fiscal Officer, or his designee, as directed by the First Selectman. Checks shall be drawn by the First Selectman for the payment of approved vouchers, claims and charges and shall be valid only when countersigned by the Treasurer. Those officers empowered by this Charter to act for the First Selectman and Treasurer respectively shall perform the duty specified by this Subsection in the absence or disability of either the First Selectman or the Treasurer or both,
- C. Any portion of an annual appropriation remaining unexpended and unencumbered at the close of the budget-fiscal<sup>15</sup> year shall lapse, except appropriations for the planning, construction, renovation or acquisition of any specific capital improvement, including land acquisition, or the acquisition of any specific item of equipment. Appropriations for such capital improvements and items of equipment, from whatever source derived, shall lapse upon completion of the capital improvement project, upon the purchase of the equipment for which the appropriation was made or upon abandonment of such capital improvement project or equipment purchase. A capital improvement project shall be deemed to have been abandoned if it has not been commenced or acquired within five (5) fiscal years after the appropriation for such improvement was made. An equipment purchase shall be deemed to have been abandoned if the equipment has not been acquired within three (3) fiscal years after the appropriation for such equipment was made.
- D. Any payment made in violation of the provisions of this Charter shall be deemed to be illegal and each officer, board, commission or employee authorizing or making such payment or taking part therein and each person receiving such payment or any part thereof shall be jointly and severally liable to the Town for the full amount so paid or received. No officer, board, commission or employee of the Town shall, alone or with others, incur any obligation or authorize or make any expenditure in violation of the provisions of this Charter except as required to address a public emergency which threatens public health and safety, public property or the lives, health or property of residents. Any violation of this Subsection may be grounds for disciplinary, civil,

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<sup>15</sup> [CTSH Proposal made 1/29/25](#)

judicial, or administrative action against the officer, board, commission or employee.

**Section 705. Special Funds.**

All those funds established under Section 402(J)(1) of this Charter and any other non-budgeted funds shall be under the oversight of the Board of Finance; which may establish policies and procedures for their use. All expenditures are subject to Section 704 of this Charter.

**Section 706. Borrowing.**

- A. Upon the recommendation of the Board of Finance and approval of the Town Meeting, the Town shall have the power to incur indebtedness by issuing bonds or notes as provided by the General Statutes, subject to the limitations thereof and the provisions of this Charter.
- B. All notes or bonds issued by the Town shall be executed and delivered by the First Selectman and the Treasurer or such other officer as may be designated by the vote authorizing their issuance.
- C. When authorizing the issuance of bonds or notes, the Town Meeting shall establish the maximum principal amount; the establishment of the specific terms and conditions of the bonds or notes to be issued pursuant to such authorization shall be delegated by the Town Meeting to such officer(s), board or commission as the Town Meeting may designate.
- D. Borrowing in amounts exceeding one hundred thousand dollars (\$100,000.00) or for a term exceeding one (1) year shall be on the basis of written bids.

**Section 707. Town Reports.**

- A. All officers, boards and commissions, whether elected or appointed, shall file a written report of their meetings, activities and actions for the prior fiscal year with the Board of Finance and Board of Selectmen not later than August 1st. This report shall include the total number of the board, commission, or agency's meetings and a record of attendance of each board, commission and agency's regular members and alternate members. The record shall specify the percent of all meetings at which each member and alternate member has been present.
- B. Prior to the regular Town Meeting to be held in November of each year, the Board of Finance shall prepare and have published an Annual Report which shall contain such reports and information as may be required by this Charter and the General Statutes and such reports and information as may be deemed appropriate by the Board of Finance. Consideration of the Annual Report shall be placed on the agenda of the regular Town Meeting to be held in November.



**Section 708. Auditor.**

The Board of Finance shall appoint an independent certified public accountant or a firm of independent certified public accountants to conduct an annual audit of the accounts of the Town, and shall file said accountant's name with the Secretary of the Office of Policy and Management. The audit shall be conducted in accordance with the General Statutes. The Board of Finance will solicit proposals for these auditing services at least every three years.