

Somerville

Draft

FINANCE AND FISCAL PROCEDURES

FISCAL YEAR

The fiscal year of the city shall begin on the first day of July and shall end on the last day of June, unless another period is required by general law.

ANNUAL BUDGET POLICY

The mayor shall call a joint meeting of the board of aldermen and school committee before the commencement of the budget process to review the financial condition of the city, revenue and expenditure forecasts, and other relevant information prepared by the mayor in order to develop a coordinated budget. The superintendent of schools shall be present at this meeting.

SUBMISSION OF OPERATING BUDGET; BUDGET MESSAGE

At least X days before the beginning of the fiscal year, the mayor shall submit to the board of aldermen, a proposed operating budget for all city agencies, which shall include the school department, for the ensuing fiscal year with an accompanying budget message and supporting documents. The budget message submitted by the mayor shall explain the operating budget in fiscal terms and in terms of work programs for all city agencies. It shall outline the proposed fiscal policies of the city for the ensuing fiscal year, describe important features of the proposed operating budget and indicate any major variations from the current operating budget, fiscal policies, revenues and expenditures together with reasons for these changes. The proposed operating budget shall provide a complete fiscal plan of all city funds and activities and shall be in the form the mayor deems desirable. The school budget, as adopted by the school committee shall be submitted to the mayor at least 30 (April 15) days before the submission of the proposed operating budget to the board of aldermen. The mayor shall notify the school committee of the date by which the budget of the school committee shall be submitted to the mayor. The mayor and the superintendent of schools shall coordinate the dates and times of the school committee's budget process.

ACTION ON THE OPERATING BUDGET

(a) Public Hearing - The board of aldermen shall provide public notice of the proposed operating budget as submitted by the mayor. The public notice shall state (1) the times and places where copies of the entire proposed operating budget are available for inspection by the public, and (2) the date, time and place not less than 14 days after its public notice, when a public hearing on the proposed operating budget will be held by the board of aldermen.

(b) Adoption of the Budget - The board of aldermen shall adopt the operating budget, with or without amendments, within 45 days following the date the budget is transmitted to it. In amending the operating budget, the board of aldermen may delete or decrease any amounts

Somerville

Draft

except expenditures required by law, but except on the recommendation of the mayor, the board of aldermen shall not increase any item in or the total of the proposed operating budget, unless otherwise authorized by the laws of the commonwealth. If the board of aldermen fails to take action on any item in the operating budget within 45 days after receipt of the budget, that amount shall, without any action by the board of aldermen, become a part of the appropriations for the ensuing fiscal year, and be available for the purposes specified.

CAPITAL IMPROVEMENT PROGRAM

The mayor shall submit a capital improvement program to the board of aldermen at least 120 (March 1) days before the start of each fiscal year. The capital improvement program shall include:

- (1) a clear and concise general summary of its contents;
- (2) a list of all capital improvements proposed to be undertaken during the next ensuing 5 years, with supporting information as to the need for each capital improvement;
- (3) cost estimates, methods of financing and recommended time schedules for each improvement; and,
- (4) the estimated annual cost of operating and maintaining each facility and piece of major equipment involved.

This information is to be annually revised by the mayor with regard to the capital improvements still pending or in the process of being acquired, improved or constructed.

At any time after the public hearing but before the first day of the last month of the current fiscal year, the board of aldermen shall by resolution adopt the capital improvements program with or without amendment, provided that each amendment must be voted separately and that any increase in the capital improvements program as submitted must clearly identify the method of financing proposed to accomplish such increase.

LONG TERM FINANCIAL FORECAST

The mayor shall annually prepare a long-term financial forecast of city revenue, expenditures and the general financial condition of the city. The forecast shall include, but not be limited to, an identification of factors which will impact on the financial condition of the city, revenue and expenditure trends, potential sources of new or expanded revenues and any long or short term actions, that may be taken to enhance the financial condition of the city. The forecast shall be submitted to the city council and shall be available to the public for inspection.

Somerville

Draft

INDEPENDENT AUDIT

The mayor shall annually provide for an outside audit of the books and accounts of the city to be made by a certified public accountant, or a firm of certified public accountants, which has no personal interest, direct or indirect, in the fiscal affairs of the city or any of its officers. A copy of the audit report, together with any management letter, shall be transmitted to the board of aldermen and shall be available for public inspection at the office of the city clerk.

SECTION 6-7: EXPENDITURES IN EXCESS OF APPROPRIATIONS

Except as otherwise may be provided by law, no official of the city shall knowingly and intentionally expend in any fiscal year any sums in excess of the appropriations duly made in accordance with law, or involve the city in any contract for the future payment of money in excess of these appropriations. It is the intention of this section that [section 31 of chapter 44](#) of the General Laws shall be strictly enforced. Any official who violates this section shall be personally liable to the city for any amounts so expended to the extent that the city does not recover these amounts from the person to whom the sums were paid.