

Effective January 1, 2011

ARTICLE VII Business and Financial Provisions

The Treasurer will have and perform for the City of Ellsworth all of the powers and duties imposed by law upon municipal treasurers and tax collectors. For purpose of this Article, functions of the Treasurer may be delegated to the Deputy Treasurer(s) appointed by the City Manager as set forth in Article VI, Section 6.05 of this Charter.

Sec. 7.01 - Accounts and Records.

The Treasurer will maintain all City of Ellsworth accounts showing the financial transactions of all departments of the City of Ellsworth. The Treasurer will have the authority and will be required to:

- (a) Maintain the City of Ellsworth's general accounting in conformity with generally accepted accounting principles of municipal accounting. A uniform classification will be used for revenues, expenditures, and balance sheet accounts;
- (b) Exercise financial budgetary oversight;
- (c) Submit to the City Council through the City Manager a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the City of Ellsworth;
- (d) Prepare for the City Manager a complete financial statement and report for the entire fiscal year,
- (e) Certify that there is an unencumbered appropriation balance or available funds before an expenditure will be made as described in the City of Ellsworth's Procurement Policy.

Sec. 7.02 - Annual Audit.

All the accounts of the City of Ellsworth will be audited annually by a certified public accountant to be chosen by the Council, or by an accountant assigned by the State auditor. Upon completion, the audit report will be delivered to the Council and made available to the public.

Sec. 7.03 - Bonds of Officials.

The Council will require a satisfactory bond with sufficient surety from all administrative officials trusted with any of the public moneys; and may require a bond from other officials and employees as it may deem advisable.

Sec. 7.04 - Collection and Custody of City of Ellsworth Moneys.

All moneys paid to the City of Ellsworth or received by any municipal official, employee, or agent of the City of Ellsworth for, or in connection with the business of the City of Ellsworth

Effective January 1, 2011

will promptly be paid into the City Treasury and will be deposited with such banking depositories as the Council may determine. Interest from all deposits of money will accrue to the benefit of the City of Ellsworth.

Sec. 7.05 - Payments.

Money will be paid out only on warrants. Warrants will be issued by the Treasurer and countersigned by the City Manager and a majority of City Council Finance Committee members. In weeks in which there is not a warrant issued, the signature of the Treasurer will be sufficient for payroll matters only. The Treasurer will examine all payrolls, bills and other claims against the City of Ellsworth, and will not issue a warrant for payment until the claim is in proper form, correctly computed, duly certified, and legally due and payable.

Sec. 7.06 - Budget.

- (a) Fiscal Year. The City of Ellsworth's fiscal year will begin on the first day of July and will end on the 30th day of June of each calendar year.
- (b) Budget Document. The annual budget will contain: (1) an estimate of all revenue cash receipts anticipated from sources other than the tax levy for the ensuing fiscal year; (2) the estimated expenditures necessary for the operation of departments, offices and agencies of the City of Ellsworth; (3) debt service requirements for the ensuing fiscal year; (4) an estimate of the sum required to be raised by the tax levy for the ensuing fiscal year; and (5) a balanced relationship between the total estimated expenditures and the total anticipated revenues and the tax levy, except for overlay as permitted by statute for the General Fund. All estimates will be in detail showing revenues by sources and expenditures by fund. The budget will be arranged to show comparative figures for receipts and expenditures for the current and next preceding fiscal years.
- (c) Capital Program. As part of the budget document, the City Manager will submit to the Council an updated ten-year capital program. The capital program will include: (1) a clear summary of its contents; (2) a list of all capital improvements which are proposed to be undertaken during the ten ensuing fiscal years with appropriate supporting information as to the necessity for the improvements; (3) cost estimates, methods of financing, and recommended time schedules for each improvement. The information may be revised and extended each year with regard to capital improvements still pending or in the process of construction or acquisition.
- (d) Budget Submission. The City Manager will submit to the Council a proposed annual budget for the ensuing fiscal year no later than the second Monday in April.
- (e) Budget Message. The budget will be accompanied by a budget message from the City Manager which will contain the recommendations of the City Manager concerning the fiscal policy of the City of Ellsworth, a description of the important features and major increases or decreases in the proposed budget, and summary statements of the budget according to principal sources of revenue and the headings of expenditure.

Effective January 1, 2011

- (f) Budget Copies. The City Manager will print sufficient copies of the budget and the budget message for the use of the Council and the public. The budget and the budget message will be a public record.
- (g) Budget Changes. The Council may insert new items of expenditures or may increase, decrease, or strike out items of expenditure, except that no item of appropriation for debt service will be reduced.
- (h) Budget Resolve. As early as practicable, before the beginning of each fiscal year, the Council is expected pass an annual budget resolve that will be based on the budget submitted by the City Manager. However, in the event the Council fails to adopt a budget by the beginning date of the fiscal year, the Council may make appropriations by a continuing resolution to the various departments and accounts in the amounts sufficient to finance the necessary expenses until the budget resolve is in force.

Sec. 7.07 - Lapse of Appropriations.

Every appropriation, except an appropriation for a capital expenditure, will lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for capital expenditure will continue in force until the purpose for which it was made has been accomplished or abandoned. The purpose of any such appropriation will be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

Sec. 7.08 - Amendments after Budget Resolve.

- (a) Transfers. The City Manager may transfer any unencumbered appropriation balance or portion thereof from line item to line item within cost centers, but may not expend funds in excess of the cost center appropriation. The Council may, by Council Order, transfer any unencumbered appropriation balance or portion thereof between cost centers.
- (b) Supplemental Appropriations. Additional appropriations within the budget may be made by Council order if the Treasurer verifies that there are sufficient unanticipated and unappropriated revenues. Additional appropriations may also be covered by an appropriation from a reserve account or an interfund transfer from the General Fund or other fund.

Sec. 7.09 - Borrowing and City of Ellsworth Credit.

- (a) The City of Ellsworth may only borrow money for municipal purposes.
- (b) The City of Ellsworth may not extend the City of Ellsworth's credit to any individual, association or corporation.
- (c) Issue of Bonds and Notes

Effective January 1, 2011

- (1) Authorization. No order providing for borrowing under this section will be passed except by an affirmative vote of the Super-Majority of the Council. Money may be borrowed within the limitations fixed by the constitution and statutes of the State, by the issue and sale of bonds or notes pledged on the credit of the City of Ellsworth. The proceeds will be used for the acquisition of land or interests in land or personal property, the construction and equipment of buildings and other permanent public improvements, the purchase of equipment, the payment or refunding of bonds, notes and certificates of indebtedness previously issued, or for any other purpose authorized by law. No bonds and/or notes issued pursuant to this section will be used for the funding of current operating expenses except as provided in (d)(1) of this Section. No order providing for borrowing under this section will be passed without public notice by posting such notice in one or more public places in the City of Ellsworth and by publishing the same at least in one or more newspapers of general circulation, not less than ten days before final action by the Council. The Council has final determination of the terms and conditions of the general fund debt, enterprise debt, or refunded obligation issuances, or a combination thereof.
- (2) Term. Every issue of bonds will be payable within a fixed term of years, the term of such bond to not exceed the estimated period of utility of the interests, public improvements, equipment or other items purchased with the proceeds from the sale. The declaration of the Council embodied in the order authorizing the issue will be conclusive determination of the estimated period of utility thereof. The terms within which all bonds will be made payable will in no case exceed 30 years. Any issue of bonds or notes may be made callable before maturity by appropriate recital in the order authorizing the borrowing.
- (3) Tax Levy. Every order for the issue of bonds or notes except revenue bonds and notes issued in connection with temporary loans as authorized in Section 9(d) of this Article will provide for a tax levy for each year of an amount necessary to meet the payment of the annual serial installment of principal and the annual interest; and such amounts will be included in the tax levy for each year until the debt is extinguished.

(d) Temporary Loans

- (1) Tax Anticipation Notes. Money may be borrowed in anticipation of receipts from taxes during any fiscal year, but the aggregate amount of such loans outstanding at any one time will not exceed eighty percent (80%) of the revenue received from taxes during the preceding year in which said loans are made. The note must be repaid in the same fiscal year that it is borrowed.
- (2) Other Temporary Loans. Money may be borrowed temporarily in anticipation of money of authorized issues of bonds or notes, or of other revenues payable to the City of Ellsworth from any source as provided by general law. All such loans shall be paid within three (3) years and are subject to the provisions of the laws of the State of Maine in relation thereto.

Effective January 1, 2011

Sec. 7.10 - Reserve Funds.

- (a) Undesignated Fund Balance. Upon receipt of the audit for the previous fiscal year, the Treasurer shall calculate the percentage of undesignated fund balance. The Council may then by order, transfer amounts from the City of Ellsworth's undesignated fund balance to a designated reserve or contingency account per the City of Ellsworth's Designated and Undesignated Fund Balance Ordinance. Transfers from this fund will be made only by a direct vote of the Council or budget resolve.
- (b) Credit Reserve Fund. The Council has the authority to adopt by order a credit reserve fund as provided for in statute. The purpose of this fund will be to assist the City of Ellsworth in continuing its normal operations without increasing the tax rate.
- (c) Other Reserve Funds. The Council has the authority to create such other reserve funds as authorized by statute or that the Council deems advisable. The order creating such fund will include a statement as to the intent and purpose of the fund, the funding mechanism, and the authority to use and withdraw from the fund.