

KEYSTONE CHARTER COMMISSION MEMORANDUM

TO: Keystone Charter Commission Members
FROM: Jennifer Madsen
RE: Provisions of the Draft Home Rule Charter for Consideration on May 31
DATE: May 28, 2023

This memorandum provides options and considerations related to discussion sections for the May 31 regular meeting.

ARTICLE XI FINANCIAL MANAGEMENT

*****Additional sections for consideration in the Financial Management Article**

Section 11.11. Special Funds.

Additional funds, which shall be known as special funds, may be created by Ordinance to provide for monies to be held or used for special purposes as the Town Council may determine, including but not limited to enterprise funds or special purpose funds.

Section 11.12. Adoption of Budget and Appropriation.

Not later than the fifteenth (15th) day of December of each year, the Town Council shall adopt an Ordinance or a Resolution for the budget and for the annual appropriations. No budget shall be deemed adopted unless a public hearing is held prior to the vote of the Town Council and there is an affirmative vote of a majority of the Town Council to adopt such budget and appropriations. Copies of the budget as adopted shall be public records and shall be made available to the public in the office of the Town Clerk and shall be publicized in accordance with an Ordinance adopted by the Town Council. If the Town Council fails to adopt a budget by this date, the amounts appropriated for the operation of the various departments of the Town during the prior fiscal year shall be deemed adopted for the current fiscal year on a month to month basis, with all items prorated accordingly until such time as the Town Council adopts the budget for the current fiscal year.

Section 11.13. Amendments to Appropriations.

(a) The Town Council may make additional appropriations by Ordinance or Resolution during the fiscal year for unanticipated expenditures required of the Town, but such additional appropriations shall:

- (1) not exceed the amount by which actual and anticipated revenues of the year are exceeding the revenues as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public peace, health or safety;
- (2) be authorized only following a public hearing prior to the vote of the Town Council;
and
- (3) require an affirmative vote of a majority of the Town Council in office.

(b) If at any time during the fiscal year it appears probable to the Town Manager that the revenues available will be insufficient to meet amounts appropriated, the Town Manager shall provide a report to the Town Council without delay indicating the estimated amount of deficit and recommendations as to any steps to be taken. The Town Council shall then take such further action as it deems necessary to prevent or minimize any deficit and for that purpose it may by Ordinance or Resolution reduce one or more appropriations.

Section 11.14. Publicizing of Expenditures.

Expenditures authorized to be made need not be published, but the Town Clerk shall maintain a record on file of same, which shall at all times be available for public inspection and shall publicize the same in accordance with an Ordinance adopted by the Town Council.

Section 11.15. Independent Audits.

The Town Council shall provide for an annual independent audit of all accounts of the Town to be performed by a certified public accountant experienced in municipal accounting. The Town Council may provide for more frequent audits as deemed necessary. The auditor selected to perform any audit on behalf of the Town shall have no direct personal interest in the financial affairs of the Town or of any person holding Town Elective Office. Unless another date is provided by Ordinance, the annual audit shall be completed within six (6) months of the close of the fiscal year. Copies of any audit undertaken in accordance with this Section shall be available for public inspection or review and publicized in accordance with an Ordinance adopted by the Town Council.

Considerations:

These additional sections may be included in the Financial Management article. For the most part, these sections are consistent with the requirements of the Local Government Budget Law and Local Government Audit Law. Including these sections is not necessary.

For background on local budget requirements, I have included three documents from the Department of Local Affairs (DOLA) on local government budgets.