

CHAPTER 3

FINANCE

SUBCHAPTER I - GENERAL

SECTION 3-101 FISCAL YEAR

The fiscal year of the City shall begin on the first day of July, and end on the last day of the following June, including both days.

[Derivation: Section 2-221, 1973 Revised Code of Ordinances]

SECTION 3-102 OBLIGATIONS NOT TO EXCEED APPROPRIATION

No officer of the City or any department, whose duty it is to expend money under an appropriation, shall contract any bill or incur any obligation on behalf of the City in excess of the appropriation, unless expressly required by statute.

[Derivation: Section 2-227, 1973 Revised Code of Ordinances]

SECTION 3-103 COUNCIL'S ADVICE REQUIRED WHEN ESTIMATES EXCEED APPROPRIATIONS

In all contracts or expenditures to be made under the authority of the council, whenever the estimates shall exceed the appropriations made therefor, or whenever any officer shall have expended the sum specifically appropriated for his use, and in either case shall require a further sum, it shall be the duty of each officer having such matter in charge to submit the same to the council for instructions, before such contract is made, or any further expenditure for the object is incurred.

[Derivation: Section 2-228, 1973 Revised Code of Ordinances]

SECTION 3-104 PROCEDURE FOR MAKING FURTHER EXPENDITURES SUBSEQUENT TO ORDER OF APPROPRIATION

After the annual order of appropriations (the budget) shall have been passed, no subsequent expenditures shall be authorized for any purpose, unless provision for the same shall be made by special transfer from some of the appropriations contained in such annual order, contingency fund, from surplus, or by expressly creating therefore a City debt.

[Derivation: Section 2-229, 1973 Revised Code of Ordinances]

SECTION 3-105 SURPLUS FUND ESTABLISHED, OVERDRAFT OF APPROPRIATION CARRIES AS DEBT, LIQUIDATION OF DEBT

All unexpended balances of all appropriations remaining at the end of each financial year shall, except as otherwise specifically ordered by action of the Council, be merged into one (1) fund to be designed "Surplus."

All overdrafts of all appropriations at the end of each financial year shall be charged to the surplus account, and if such account is insufficient, it shall be carried as a debt of the City, and a like amount shall be appropriated the following year to liquidate such debt.

[Derivation: Section 2-225, 1973 Revised Code of Ordinances]

SECTION 3-106 COUNCIL'S APPROVAL FOR USE OF UNASSIGNED GENERAL FUND BALANCE (SURPLUS FUND)

1. Unassigned General Fund Balance (Surplus Fund).
 - A. The City's unassigned general fund balance, identified in the Annual Audit Report, is a surplus of funds which have accrued from unexpended operating budgets and unanticipated excess revenues. This surplus proves financial stability to bond holders and rating agencies. This surplus provides the City with a "rainy day" fund for use in unforeseen, unbudgeted emergency situations. This surplus generally prevents the need for issuing tax anticipation notes thereby saving taxpayers the interest cost if the fund is maintained at the designated levels. For purposes of this Section, the unassigned fund balance will be adjusted upward by the balance owed by the City on loans taken from the City's Cemetery Trust Fund so as to more accurately reflect the financial position of the City.
 - B. In order to maintain financial stability, the City establishes a policy to maintain an (adjusted) unassigned general fund balance no less than 10% and no more than 15% of the previous fiscal year's operating expenditures. This will be calculated as follows:
 - 1) Municipal expenditures plus School expenditures (RSU #2) plus Kennebec County expenditures equals net expenditures (labeled "Total Expenditures" on Statement 4 of the Audit Report).
 - 2) The (adjusted) unassigned fund balance divided by net expenditures equals percent of fund balance.
2. Use of Funds.
 - A. Any fund balance in excess of 15% shall be used to increase one, or a combination of, the following reserve accounts: street paving, vehicle/equipment replacement, Public Safety building, Public Works building, City Hall building or to set aside to reduce taxes in the following fiscal year, if the

Council so desires.

- 1) A majority vote of the City Council is required to designate which accounts in subsection 2.A. the funds in excess of 15% are to be transferred.
 - 2) A 5/7 vote of the 7-member City Council is required to designate another purpose for the funds in excess of 15%.
- B. In the case of a serious, unexpected municipal event, the City Council, by 5/7 vote, may reduce the (adjusted) unassigned general fund balance below the 10% minimum to compensate for those losses. A written plan to replenish the fund in a maximum of three fiscal years must be approved by a majority of the City Council at the time of the emergency unassigned general fund balance appropriation.
- C. Whenever the (adjusted) unassigned general fund balance is below 10%, notwithstanding subsection 2.B., the following budgetary action will occur: reduction in expenditures of the fiscal year budget by at least one-half (1/2) of one (1) percent up to one (1) percent of the total City budget until the minimum level of 10% is achieved. This dollar amount of the total City budget is to be translated to a percentage of the municipal budget since the school and county budgets can not be factored into the equation. Any spending reductions that are achieved in excess of one (1) percent at the end of the fiscal year are to be accepted.
3. Transfer or Appropriation of General Fund Balance Surplus.

Upon receipt of the audit for the previous fiscal year, the City Manager shall calculate the percentage of (adjusted) unassigned general fund balance to net operating expenditures. This percentage shall be made known to the City Council who may take one of the following actions:

- A. Transfer of funds.
- 1) By a one vote order transfer of funds in excess of 15% to one of the accounts listed in subsection 2.A.
 - 2) By a 3-vote order on at least two separate days designate another purpose for the funds in excess of 15%.
- B. Appropriation of funds.
- 1) By a 3-vote order on at least two separate days the Council may designate a use of funds when the (adjusted) unassigned general fund balance is between 10% and 15%.

- 2) By a 3-vote order with an emergency declaration on at least two separate days the Council may designate an emergency use of funds when the (adjusted) unassigned general fund balance is below 10%.

C. Take no action.

The City Council may take no action and allow the (adjusted) unassigned general fund balance to continue to increase to maintain a financial stability for the City.

[Derivation: Section 2-226, 1973 Revised Code of Ordinances;; Ord. No.: 03-24, eff. December 18, 2003; Ord. No. 13-03, eff. February 21, 2013]

SECTION 3-107 BIDS REQUIRED, EXCEPTION

1. All contracts for construction, new equipment and services at the expense of the City or the sale by the City of any item involving a total estimated cost of ten thousand dollars (\$10,000) or more, shall be awarded by competitive bids with reasonable and fair requests for bids and specifications and with fair notice to prospective bidders. The City's bid and exception policies will be determined following the stipulations of the Charter and recorded in the City's Policy Manual.
2. The City may reserve the right to accept or reject any or all bids.

[Derivation: Section 2-233, 1973 Revised Code of Ordinances, Amended 7/12/93]

[Derivation: Ordinance No.: 02-02, Effective 3/23/02; Ord. No. 17-01, effective 1/19/2017]

SUBCHAPTER II

(Reserved)

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SUBCHAPTER III - BUDGET PROCEDURE

SECTION 3-301 ANNUAL BUDGET

Not later than the regular April Council Meeting the City Manager, in cooperation with the standing committees of the City Council, shall submit to the City Council a budget containing estimates of expenses for the ensuing fiscal year. This budget shall be compiled from detailed information furnished by the administrative officers, boards and commissions on forms which shall be furnished by the City Manager.

[Derivation: Section 2-222, 1973 Revised Code of Ordinances]

SECTION 3-302 BUDGET CONTENTS GENERALLY

This budget of the City government shall contain a complete plan for the fiscal year, setting forth all proposed expenditures for the administration operation and maintenance of the departments and agencies of the City government; all interest and debt redemption charges, and all expenditures for capital projects to be undertaken and executed during the fiscal year. In addition thereto, the budget shall set forth the anticipated revenues of the City government and any other additional means of financing the expenditures proposed.

[Derivation: Section 2-223, 1973 Revised Code of Ordinances]

SECTION 3-303 CONTINGENT ACCOUNT

The City Council may in the City budget allocate in any year an amount for a contingent account.

[Derivation: Section 2-224, 1973 Revised Code of Ordinances]

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SUBCHAPTER IV - CITY TREASURER

SECTION 3-401 DUTIES IN GENERAL

The City treasurer shall perform such duties as may be prescribed by the City Council or City Manager, and shall generally do and perform all duties and exercise all powers by law incumbent upon or vested in a City treasurer.

[Derivation: Section 2-200, 1973 Revised Code of Ordinances]

SECTION 3-402 DEPUTY TREASURER

The City treasurer may appoint in writing a qualified person as his deputy, under the same conditions applying to the deputy City Clerk as set forth in Section 2-603.

[Derivation: Section 2-201, 1973 Revised Code of Ordinances]

SECTION 3-403 BOOKS TO SHOW APPROPRIATIONS, EXPENDITURES

It shall be the duty of the treasurer to keep in a neat, methodical style and manner, a complete set of records, under the direction of the City Manager, wherein shall be entered among other things the various appropriations made by the council, each under its appropriate head, and wherein shall be charged to each appropriation the different expenditures and payments that from time to time shall be made therefrom.

[Derivation: Section 2-202, 1973 Revised Code of Ordinances]

SECTION 3-404 RECEIVE BILLS AND ACCOUNTS, MAINTAIN RECORDS

1. The treasurer shall receive all bills and accounts from persons having demands against the City, examine them carefully in detail and maintain records of such bills and accounts in accordance with the State Statutes.
2. The treasurer shall take advantage of all discounts offered for early payment of statements and invoices, obtaining approval as set forth in Section 3-405.

[Derivation: Section 2-203, 1973 Revised Code of Ordinances]

SECTION 3-405 APPROVAL OF BILLS

The City treasurer shall check and furnish to the City Council on or before the first regular meeting of each month a list of the bills incurred for the preceding calendar month. The council shall approve these bills, or it may delegate from time to time one or more councilmen to examine and approve said bills for payment.

[Derivation: Section 2-204, 1973 Revised Code of Ordinances]

SECTION 3-406 SIGNING OF WARRANTS (CHECKS)

1. The treasurer or in his absence the deputy treasurer shall sign all warrants.
2. All warrants shall be countersigned by one member of the City Council. At least two members of the council shall be appointed from time to time by the Mayor and council as counter signers.

[Derivation: Section 2-205, 1973 Revised Code of Ordinances]

SECTION 3-407 SURETY BOND

A corporate surety bond in an amount satisfactory to the City Council shall be obtained for all persons in City employ trusted with the collection, custody or disbursement of the public monies, conditioned on the faithful discharge of their duties. Such a bond may be required from such other officials as the council may deem advisable. The premium charges for said bonds shall be paid by the City. All surety bonds shall be filed with the City Clerk.

[Derivation: Section 2-206, 1973 Revised Code of Ordinances]

SECTION 3-408 ACCOUNTS RECEIVABLE: RECORDS, COLLECTION, INTEREST

1. The treasurer shall keep and maintain at all times an accurate and true record of all accounts receivable that may be due the City.
2. If accounts receivable (excluding taxes) are not paid within sixty (60) days subsequent to the billing date, an interest of eighteen percent (18%) per annum shall be charged.
3. Wherever any person owes any monies to the City, the treasurer shall withhold an equal amount of money, including interest, from that due that person until the debt to the City is satisfied.

[Derivation: Section 2-207, 1973 Revised Code of Ordinances]

SECTION 3-409 TREASURER TO RECORD PAYMENTS TO CITY

Upon payment to the City, the treasurer shall maintain a record of such payment and take proper receipts therefrom and place the same on file.

[Derivation: Section 2-208, 1973 Revised Code of Ordinances]

SECTION 3-410 AUTHORITY TO CHARGE OFF COLLECTION COSTS OF COUNSEL

In instances where the tax collector has turned over personal and real property taxes and accounts receivable to the City solicitor for collection, the treasurer shall have the authority to

charge off the actual cost of such collection.

[Derivation: Section 2-209, 1973 Revised Code of Ordinances]

SECTION 4-111 (Reserved)

SECTION 3-412 ACCESS TO CITY BOOKS

The Treasurer shall have access to all of the books of the departments of the City, and upon exercising such authority, he shall from time to time make recommendations for improvements in such bookkeeping to the City Manager as in his judgement be necessary or desirable.

[Derivation: Section 2-210, 1973 Revised Code of Ordinances]

SECTION 3-413 MONTHLY REPORT OF EXPENDITURES VS APPROPRIATIONS,
NOTICE OF APPROPRIATION EXHAUSTIONS

The treasurer shall prepare monthly and submit to the Mayor and council members a comparative report showing for each account the appropriation, the amount expended during the month, the total expenditures to date and the unexpended balance in the account.

In case an appropriation shall become exhausted, the treasurer shall immediately give written notice of such fact to the City Manager.

[Derivation: Section 2-211, 1973 Revised Code of Ordinances]

SECTION 3-414 SAFEKEEPING OF RECORDS, DELIVERY TO SUCCESSOR

The treasurer shall cause all books, vouchers and documents under his care, belonging to the City, to be securely deposited in a fire-proof safe or vault at the end of each work day, and shall deliver them to his successor in office.

[Derivation: Section 2-212, 1973 Revised Code of Ordinances]

SECTION 3-415 ANNUAL AUDIT

The City books of the treasurer and City Clerk shall be subject to an annual audit as directed by the City Council.

[Derivation: Section 2-213, 1973 Revised Code of Ordinances]

SECTION 3-416 ISSUANCE OF QUIT-CLAIM DEEDS UPON PAYMENT OF TAXES

1. The Treasurer is authorized to execute and deliver upon behalf of the City, quitclaim deeds of property acquired by tax deeds and tax liens to an individual to whom the taxes were assessed or to that person's personal representative, upon payment of

such taxes in full with all interest and costs plus all sums listed under Subsection 2, and compliance with Subsections 3 and 4.

2. The Treasurer shall, prior to the issuance of a quitclaim deed to an individual taxpayer, require payment of all other moneys owed by such taxpayer to the City on the date of issuance of the quitclaim deed. This shall include the amount of all unpaid real or personal property taxes, assessments, penalties, judgments, and fees owed by taxpayer to the City, plus the sum of \$100.00 for expenses relating to preparing, processing and recording of the quitclaim deed. If the individual taxpayer and his or her spouse own a majority interest in an entity that owes money to the City, a quitclaim deed may not be issued except by Order of the City Council.
3. Prior to the issuance of a quitclaim deed for payment of taxes and other amounts due the City under Subsections 1 and 2, the Treasurer shall have received from the City's Code Enforcement Officer a written statement certifying that to the best of his knowledge, after inspection, the property described in the quitclaim deed is not in violation of any ordinance of the City or other land use, health or safety laws. If the Code Enforcement Officer cannot make such certification, the quitclaim deed may only be issued, if at all, by the City Council.
4. Except as specifically delegated to the Treasurer under this Section, all quitclaims of property or property interests acquired by the City shall be approved by Order of the City Council.
5. All moneys paid to the Treasurer for quitclaim deed issued under this section or by order of the City Council shall be in U.S. currency or by certified check, wire transfer, or other method that assures that such moneys are deposited in accounts of the City free and clear of claims by any person.

[Derivation: Ord. No. 00-15, eff. 12/21/00]

SECTION 3-417 TREASURER'S ANNUAL REPORT LISTING TAX ACQUIRED PROPERTY

1. Within the first 45 days of each calendar year the Treasurer shall transmit to the City Manager, a report listing all properties owned by the City by virtue of automatic tax lien foreclosures under 36 M.R.S.A. Sec. 943. The report shall include with respect to each listed property: (1) the full name of the last assessed owner and the current owner, if different; (2) the amount of taxes, interest, and costs owed the City with respect to each tax lien foreclosed; (3) the total amount of all taxes owed to the City with respect to each listed property, as of the date of the report; and per diem interest; (4) the total amount of non-tax obligations owed to the City by each listed current or previous owner; (5) the most recent assessed valuation of each listed property.

2. The City Manager, not later than April 1 of each year, shall transmit a copy of the Treasurer's report, described in Subsection 1. to the City Council, accompanied by the City Manager's written recommendations regarding the disposition of any or all of the listed tax acquired properties.

[Derivation Ord. No. 01-5, Eff. 01/18/01]

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SUBCHAPTER V - BOARD OF ASSESSORS

SECTIONS 3-501 THROUGH 3-502 (Reserved)

SECTION 3-503 ASSESSORS TO SUBMIT TAX LISTS TO COLLECTOR

The Board of Assessors shall complete its assessment, and place the list of taxes in the hands of the tax collector on or before the first day of June annually; but the council may extend the time when, in its judgment, it is necessary.

[Derivation: Section 2-230, 1973 Revised Code of Ordinances]

SECTION 3-504 RECORD OF ABATEMENTS BY ASSESSORS REQUIRED

When any tax shall be abated in whole or in part by the Board of Assessors, it shall maintain a record of such abatement with the name of the person whose tax shall have been abated, the amount originally assessed, the amount abated and the reasons for such abatement.

[Derivation: Section 2-231, 1973 Revised Code of Ordinances]

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SUBCHAPTER VI - CITY TAX COLLECTOR

(Reserved)

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