



FINANCE COMMITTEE AUTHORITY

The Finance Committee derives its authority from the following sources.

A. M.G.L. chapter 39, Municipal Government, section 16, Appropriation, advisory or finance committees, appointment, tenure, powers and duties

*Every town whose valuation for the purpose of apportioning the state tax exceeds one million dollars shall, and any other town may, by by-law provide for the election or the appointment and duties of appropriation, advisory or **Finance Committees**, who shall consider any or all municipal questions for the purpose of making reports or recommendations to the town; and such by-laws may provide that committees so appointed or elected may continue in office for terms not exceeding three years from the date of appointment or election.*

In every town having a committee appointed under authority of this section, such committee, or the selectmen if authorized by a by-law of the town, and, in any town not having such a committee, the selectmen, shall submit a budget at the annual town meeting.

B. Town of Hudson, Municipal Charter, Adopted May 8, 1978

Article 3, Elected Officials

Section 3-7: Power to Appoint

- (b) *The power to appoint the **Finance Committee** shall be vested in a committee comprised of the chairman of the board of selectmen, the moderator, and the chairman of the **Finance Committee**.*

Article 6, Finances and Fiscal Procedures

Section 6-2: Submission of Budget and Budget Message

*At least one-hundred and twenty (120) days prior to the start of the budgetary session of the town meeting, the executive assistant shall submit to the board of selectmen and file with the **Finance Committee** a proposed budget for the ensuing fiscal year with an accompanying budget message and supporting documents.*

Section 6-5: Capital Improvement Program

- (a) *The executive assistant shall submit a capital improvement program to the board of selectmen and the **Finance Committee** at least one-hundred and fifty (150) days before the start of each fiscal year.*
- (b) *The capital planning committee shall be composed of the chairman of the **Finance Committee** who shall be a standing member, the coordinator of municipal planning who shall be a standing member, one member of the **Finance Committee**, appointed by and from it, who shall serve for one (1) year, one member of the school committee, appointed by and from it, who shall serve for one (1) year, and three (3) additional members, appointed by the moderator, who shall be appointed for three (3) year terms such that one will expire each year. Vacancies shall be filled for the unexpired terms in the manner of the original appointments.*



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Section 6-6: Action on the Budget

- (a) *The **Finance Committee** shall hold one or more public hearings on the proposed budget not less than twenty-one (21) days prior to the town meeting at which it is to be submitted for adoption.*
- (b) *When the budget proposed by the executive assistant including the budget adopted by the school committee, insofar as permitted by law, is before the town meeting for action, it shall first be subject to amendments, if any, proposed by the **Finance Committee** before any other amendments shall be proposed.*

C. **Town of Hudson General By-Laws, Revised through May 1, 2021**

Article I. Administrative Code

Section 6.0. Administrative Service Group

Section 6.3. Finance Committee

- (a) *Term of Office. There shall be a **Finance Committee** consisting of nine citizens of the town other than town officers and members of committees. Three members of said committee shall be appointed on July first of each year to serve for three years from date. Such committee shall be appointed by an appointing committee as set forth in Section 3.7(b) of the Home Rule Charter. Any member of said committee who shall be elected by ballot to any (other) town office shall forthwith upon his qualification to such office, and any member who shall remove from the town shall upon such removal, cease to be a member of said committee. Said committee shall choose its own officers.*
- (b) *Powers and duties. The **Finance Committee** shall consider each article in any warrant for a Town Meeting, after which the Committee must make recommendations to the Town Meeting as it deems best for the interests of the town and its citizens. The **Finance Committee** shall approve or disapprove requests for transfer of funds against the reserve fund. The Town Accountant and Executive Assistant are to be notified of any action or transfer of funds requests.*

Article II. Town Meeting and the Procedure Thereat

Section 13. Appointment of Deputy Moderator

*Within thirty days of his election, the Moderator shall indicate in writing to the Select Board, the **Finance Committee** and the Town Clerk his appointee as Deputy Moderator, subject to the ratification of each town meeting. In the event of the absence or disability of the Moderator, the Town Clerk shall preside for the purpose of conducting a vote to determine whether the town meeting ratifies the appointee of the Moderator.*



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Article III. Appropriations

Section 1. Duties of Officers, Boards, Committees & Departments

B. Capital Planning Committee Responsibilities

*The Capital Planning Committee organized under the provisions of Section 6-5(b) of the Home Rule Charter shall submit the material required by Section 6-5(a) of the Charter to the Executive Assistant in sufficient time to enable him to submit a capital improvement program to the Select Board and the **Finance Committee** under the provisions of Section 6-5(a).*

D. Executive Assistant Budget

*The Executive Assistant shall prepare his budget and budget message in accordance with the provisions of Sections 6-2, 6-3 and 6-4 of the Home Rule Charter and submit the same to the Select Board and file a copy thereof with the **Finance Committee** at least 120 days prior to the start of the budgetary session of the annual town meeting.*

E. Town Accountant List of Appropriations

*As soon as the information becomes available, the Town Accountant shall furnish to the **Finance Committee** a list, in whatever form it may require, of the amounts appropriated by the town for the operation of the town's business of the preceding fiscal year, along with the amounts actually expended for that purpose in that year.*

F. Filing & Posting of Appropriation Requests

*Any board, standing committee, or officer of the town, or any person or persons intending to ask an appropriation at any meeting of the town, other than the regular annual appropriations, shall file a written notice in the office of the Select Board of such intention, stating the object and the sum of the appropriation intended to be asked. The members of the Select Board shall thereupon record such notice and inform the secretary of the **Finance Committee** thereof. It shall thereupon be the duty of the **Finance Committee** to examine into the subject, and be prepared to inform the town thereon, and a statement of the proposition shall be printed in the warrant for the meeting, provided, however, that an appropriation may be asked, without such notice, at any meeting of the town, but, in the absence of such previous notice, the subject shall not be acted upon except at an adjournment of said meeting, or at another meeting, not less than one week later in either case; and during said interim the **Finance Committee** shall cause a printed notice of the sum and object of said proposed appropriation, with its recommendation in relation thereto, to be posted in seven public places at least three days before such adjourned or other meeting.*

G. Warrant Articles, Public Hearings, Recommendations

*It shall be the duty of the **Finance Committee** to consider all matters of business included within the articles of any warrant for a town meeting, or the disposition of any property of the town, and it shall be the duty of the members of the Select Board after drawing a town warrant to transmit immediately a copy of the same to the chairman and the secretary of the **Finance Committee** and to the Executive Assistant, and the **Finance Committee** shall, after holding public hearings and the due consideration of the subject matter in said*



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articles, report thereon, in print, or otherwise, such information and recommendations as the committee may decide. The report of the committee shall be without recommendation when more than two votes are in disagreement with a majority vote. The **Finance Committee** shall have authority at any time to investigate the books, accounts and management of any department of the town, and to employ such expert and other assistance as it may deem advisable for that purpose, and the books and accounts of all departments and officers of the town shall be open to the inspection of the committee and of any person employed by it. It may appoint subcommittees, and delegate them such of its powers as it deem expedient.

In the case of hearings on the proposed budget to be acted upon at an annual town meeting the **Finance Committee** shall hold one or more public hearings on the proposed budget not less than twenty-one days prior to the town meeting at which the budget is to be submitted for adoption.

The **Finance Committee** shall provide copies of the articles for the use of those who may be in attendance at all its public hearings.

In the case of items contained in the budget, the report of the **Finance Committee** shall be reported in at least four columns, column one and two shall contain the amounts actually expended therefore in each of the preceding two years, a third to contain the sum requested for that purpose in the present warrant and a fourth column to contain the amount which is recommended by the **Finance Committee**.

The **Finance Committee** shall add to its recommendations such explanations and suggestions in relation to the proposed appropriations as it shall deem expedient.

The report and recommendations of the **Finance Committee** on articles to be acted upon in the warrant shall be delivered to the Select Board in time to enable them to have it printed in the warrant for the meeting, which they are hereby directed to do.

Section 2. Departmental Revolving Funds

2. Expenditure Limitations

C. The total amount spent during a fiscal year shall not exceed the amount authorized by town meeting on or before July 1 of that fiscal year, or any increased amount of that authorization that is later approved during that fiscal year by the select board and **Finance Committee**.

D. **M.G.L. chapter 40, Powers and Duties of Cities and Towns, section 6, Towns; reserve funds for extraordinary expenditures; establishment**

To provide for extraordinary or unforeseen expenditures, a town may at an annual or special town meeting appropriate or transfer a sum or sums not exceeding in the aggregate five per cent of the levy of the fiscal year preceding the fiscal year for which the fund, to be known as the reserve fund, is established. No direct drafts against this fund shall be made, but transfers from the fund may from time to time be voted by the **finance or appropriation committee** of the town, in towns having such a committee, and in other towns by the selectmen; and the town accountant in towns having such an official, and in other towns the auditor or board of auditors, shall make such transfers accordingly.