

**ELECTOR PETITION FOR ALTERNATE BUDGET PROPOSAL
TIVERTON FINANCIAL TOWN REFERENDUM
SATURDAY, MAY 21, 2016**

(Deadline for petition to be returned to Town Clerk is Saturday, April 23, 2016 at 2:00 P.M.)

The undersigned, qualified electors in the from the city or Town of Tiverton in the State of Rhode Island, in accordance with the provisions of the Tiverton Town Charter, Section 301 (d) 1, make the following petition to be voted for at the Financial Town Referendum to be held on May 21, 2016.

Name of Elector Petition Originator	Address	Signature of Petitioner
Justin Katz	189 Coffall Rd.	

Each of the signers of this paper by so signing severally certifies that he or she is a registered voter in the Town of Tiverton and for which the above named electors seeks to submit under penalty of perjury this above said petition to be voted upon at the May 21, 2016 Financial Town Referendum.

The Town Shall:

Appropriate a sum of \$29,623,224 for School Department General Operating & Capital Expenses; and,
Appropriate a sum of \$ 19,065,194 for Municipal Operations & Capital Expenses; and,
Levy a Property Tax not to exceed \$ 38,206,773
which is an increase to the prior year's certified Net Tax Levy of 0.9% and
includes a Motor Vehicle Tax Levy not to exceed \$1,596,000 and
a Real & Tangible Property Tax levy not to exceed \$ 36,610,773
as proposed by Elector Petition.

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Petitioner Statement

SEE ATTACHED

Signature (To be made in person, as it appears on voting list)	Voter's Name to be Printed	Residence (Street and Number, if any, as it appears on voting list)
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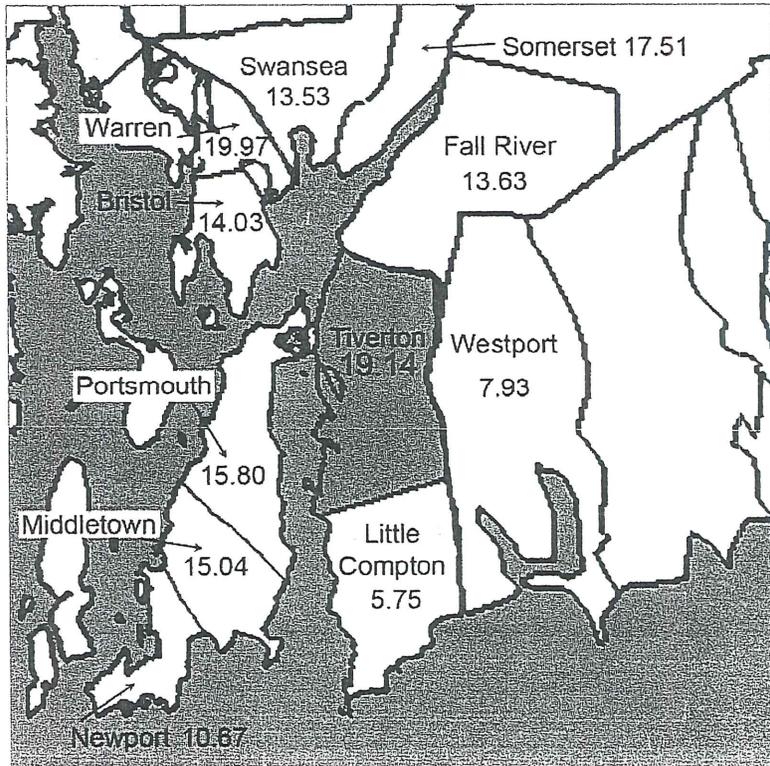
2017 0.9% Elector Petition

Purpose of Petition

Tiverton's taxes are still way too high, with a rate that is 38% higher than the average for every surrounding town in Rhode Island and Massachusetts (\$19.14 versus \$13.91 per \$1,000 of property value). Any long-term plan for the health of the town must take this gap into consideration, and yet, the Budget Committee's proposed budget for the next fiscal year would increase the rate by 55 cents. That's within 30 cents of the only town in the area that's currently higher, Warren.

The tax assessor's estimate for the value of all property in town suggests that it increased by a measly 0.46% last year. Furthermore, local non-tax revenue is projected to fall by more than \$100,000, or 3.86%.

Plainly put, the town and its wealth are not growing. The specific areas in which revenue is falling bear this out: Lost revenue from licenses, permits, and inspections show a stagnant town. Even residents who would prefer not to see new construction in untouched areas of town should be concerned that their neighbors aren't investing in their homes and their own properties are not growing in value.



Despite all of these signs that the town is headed in the wrong direction, the Budget Committee has requested a 3.5% tax increase. While the school department has requested only to keep its increase in state aid, the municipal government wants its budget to grow 4.4%. This petition would still increase the municipal government's budget over last year, but more in line with the actual growth of the town.

Here's some perspective: The tax assessor's estimate is that the town's value will increase \$8.7 million, and the municipal government wants to increase the tax levy by \$1.3 million. That

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means that in less than seven years, the tax increase that the Budget Committee wants for next year will have eaten up every penny that Tiverton residents gained in property value last year. That's not a winning formula.

Even the Budget Committee seemed to understand this point when member Louise Durfee made a motion during final votes to find *some way* to reduce the increase. As member Laura Epke put it, "Three and a half is a big increase." And: "Seeing the numbers in black and white in front of your face made a difference to me."

The Budget Committee's unique role in Tiverton government is to consider not only how reasonable requested spending might be, but also the ability of taxpayers to pay for it. That should not be an afterthought. The people of Tiverton can't wait until the problems of stagnation are in front of their faces in black and white.

If Tiverton's tax levy had only grown 2.5% every year since 2001, the tax levy would currently be \$11.5 million less than it is right now, or about 30%. We need to address the basic problem that taxes grew way too fast during the last decade and are way too high now, which is creating more pressure to approve big development even as it becomes more difficult to sell or improve property that already exists.

A 0.9% tax increase for the 2016-2017 budget year would continue the trend of bringing Tiverton's taxes in line with the ability of the people to pay. The year before the first financial town referendum, the five-year average tax increase was 5.5%. If the 2017 0.9% elector petition passes, the average annual increase for the past five years with the financial town referendum (FTR) will be 1.3%.

Given that the Town Council typically treats the approved budget as just a starting point and transfers funds between accounts, the 2017 0.9% petition will remand the budget to the Budget Committee to determine final line items as permitted under Home Rule Charter section 301(d)(1)(2). That is, approval of this petition will be a statement from the people paying the bills in Tiverton that they can only afford to see their taxes increase by that amount.

To achieve this target, the Budget Committee should request that the town administration and department heads bring forward all suggestions for reducing their expenditures. Simply holding all line items to their amounts last year and keeping all of the reductions that the council and Budget Committee have already made would cover most of the necessary ground, requiring relatively small additional adjustments. (The petition will leave the schools untouched.)

The unassigned general fund continues to contain a substantial amount of money above the charter requirement. As long as the town maintains the required 3%, credit ratings will not be affected. Calculated based on last year's audit, as has been the practice, the available funds from this source would total around \$400,000. Using future projections from the town treasurer, which are lower, the available amount would still be around \$179,000. To preserve

the ability of the Budget Committee and Town Council to utilize this money, the 2017 0.9% elector petition adds \$175,000 of it to the budget, with the suggestion that it should be treated as a contingency fund, not as baseline spending.

Additionally, a pending sale of property in the industrial park, which may even be final by the time voters choose a budget, promises to add around \$100,000 to the general fund. Other sales and new revenue would also increase the fund.

It's true that the council made multiple expenditures that were not approved in last year's budget (including, for example, continuation of the planner's contract, a full-time position for fire inspections, and membership in the League of Cities and Towns), but those were the priorities of the council, not the taxpayers who chose Budget #2 at last year's financial town referendum by a large margin. How town officials accommodate the will of the people this year will show their priorities, once again.

High taxes don't suddenly appear the night the Budget Committee is about to approve final numbers. They appear when the Town Council makes decisions about personnel, about keeping or purchasing property, and about other matters that face the members all year long. This petition is taxpayers' opportunity to remind officials that the well-being of the people of Tiverton must be their first priority.

Tiverton Financial Town Referendum May 21, 2016

Elector Petition Ballot Submissions

Proposal for Appropriations and Tax Levies

The Town shall:

Appropriate a sum of \$29,623,224 for School Department General Operating & Capital Expenses; and

Appropriate a sum of \$19,065,194 for Municipal Operations & Capital Expenses; and,

Levy a Property Tax not to exceed \$38,206,773

which is an increase to the prior year's certified Net Tax Levy of 0.9% and

includes a Motor Vehicle Tax Levy not to exceed \$1,596,000 and

a Real & Tangible Property Tax Levy not to exceed \$36,610,773,

as recommended by the Elector Petition, to be remanded to the Budget Committee to determine line items.

Budget Committee Resolutions

- 1) RESOLVED, that the expense and revenue budgets, both itemized by account, that support the proposal for appropriations and tax levies which receives a majority of votes cast by the Electors at this Financial Town Referendum shall be adopted as the Tiverton General Fund Budget for the fiscal year ending June 30, 2017.
- 2) RESOLVED, that all Municipal Capital accounts be restricted for their intended purpose and that no transfers are authorized out of those accounts.
- 3) RESOLVED, that if the Electors at this Financial Town Referendum appropriate a sum for Municipal Operations & Capital Expenses that includes an amount to fund the Revaluation account, said amount shall be placed in the restricted Revaluation reserve account, to be used solely for the purpose of funding property revaluations.
- 4) RESOLVED, that if the Electors at this Financial Town Referendum appropriate a sum for Municipal Operations & Capital Expenses that includes an amount to fund the Elections account, said amount shall be placed in the restricted Elections reserve account, to be used solely for the purposes of funding future elections.
- 5) RESOLVED, that Account 5540-6794 Paving/Road Repair shall be a restricted account to be used solely for the purpose of paving/road repair.
- 6) RESOLVED, that any unencumbered funds as of June 30, 2017 will be returned to the General Fund, with the exception of Public Works Department Operations unencumbered funds that will be placed in the restricted paving/road repair account 5540-6794.
- 7) RESOLVED, that the Town, once all provisions of the Charter and accounting requirements are met, shall transfer out of the unexpended Municipal Expense appropriation determined as of June 30, 2017 twenty-five percent (25%) to the restricted paving/road repair account number 5540-6794, and twenty-five percent (25%) to a new restricted capital 0980 expenditure account.

Tiverton General Fund Annual Budget FY 7/1/2016 - 6/30/2017

TO DETERMINE ESTIMATED TAX RATE ON REAL AND TANGIBLE PROPERTY

		2016 -2017 Elector Petition Recommendation
=	1) Total Proposed Budget for Town	\$ 48,688,418
	2) Amount of Budget to be paid by Taxation is reduced by local and State receipts	\$ 10,531,645
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		\$ 38,156,773
	3) Plus Allowance for Uncollected Taxes	\$ 50,000
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		\$ 38,206,773
	4) Less taxes imposed on Motor Vehicles	\$ 1,596,000
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	5) Portion of taxes to be paid by Real Estate and tangible taxes	\$ 36,610,773
	6) Divide Line 5 by estimated Value of Real and tangible property	\$ 1,908,000,000
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	7) To obtain an Estimated Tax Rate of	\$19.19 per \$1000 value*

If your house is worth \$260,000, multiply 260 by 19.19 to obtain your estimated real estate taxes, which would equal \$4,989.40.

*The eventual tax rate will be determined by the final calculation of assessed valuations of real and personal property.