

Charter Review Commission 6/23/08

Draft proposal to amend article III and related articles IV and VI, sections 407 and 602.

Ballot Question:

Shall article III and all related references of the Tiverton Town Charter be amended to replace the Financial Town Meeting (FTM) with an All Day Financial Referendum (ADFR) to approve or reject a proposed annual tax levy?

Charter changes:

Article III ~~Financial Town Meeting~~ **All Day Financial Referendum.**

Section 301 time and purpose

Remove entire current section and replace with:

On the fourth Wednesday of May there shall be an all day referendum to approve or reject a proposed annual Town budget.

All registered Tiverton electors shall be eligible to vote in this election; which shall have the same hours of operation as a general election. The ballot shall have a single question with a yes or no choice and a short explanation of what will happen if the proposed budget is rejected.

The question shall consist of at least three parts and may include up to five parts:

- A. A total budget amount for the municipal operations of the Town and a total budget amount for the operation of the school department of the Town. These budget amounts would be recommendations of the Budget Committee; however, the Budget Committee can not add any expenditures to the proposed budgets submitted to them or add any other item/provision to the budget proposal that would require the collection of additional tax without the approval of the submitting authority. In the case of the Town Council and the School Committee, approval would be by a majority vote of the respective group. The elected Town Treasurer and the Town Clerk would individually have the authority to approve any additions to their budgets. In accordance with state law the School Committee will have the authority to place their own budget amount on the ballot if they do not accept the Budget Committee recommendation.
- B. A tax resolution (tax vote).
- C. An estimate of the property tax rate that would result if the proposed budget is approved.

Two additional parts may be added:

- D. If approved by a affirmative vote of at least four-fifth (4/5) of the members of the Town Council, a resolution to exceed any applicable restriction on the amount that property taxes may increase in one year
- E. If approved by a affirmative vote of at least four-fifth (4/5) members of the Town Council, a resolution to use money from the unreserved general fund to reduce property tax.

A yes vote would mean that the voters accept all parts of the “yes” question.

The no vote explanation will state that if the proposed budget is rejected then the current fiscal year **tax levy** multiplied by an indexing factor up to a maximum of four percent (4%) will be the budget for the next fiscal year. No exception to exceed any tax increase “cap” will be allowed if a no vote prevails.

The elected Town Treasurer shall make the calculation using the lower of either four percent or the consumer price index for urban wage earners and clerical workers unadjusted for seasonal variations, all items indexed for Boston, MA as published in the Bureau of Labor Statistics’ CPI Detailed Report (the CPI Index) for November of the preceding calendar year. If the CPI index is not published for such November then the CPI index for the first proceeding month for which a CPI index is published shall be used.

If the publication of the CPI is discontinued, the elected Town Treasurer shall select an alternative, but substantially equivalent index to be used as a substitute. Before a proposed substitute index is used it must be approved by a vote of at least four-fifth (4/5) of the members of the Town Council.

Following is an example of how the elected Town Treasurer would make a calculation using a CPI of three and a half percent (3.5%).

Current fiscal year **tax levy** assumption for:

Municipal \$15,000,000.00 X .035= \$525,000.00 therefore
 \$525,000.00+\$15,000,000.00=\$15,525,000.00 next fiscal year
 budget for municipal.

School department 25,000,000.00 X .035= \$ 875,000.00 therefore
 \$875,000.00 + \$25,000,000.00= \$ 25,875,000 next fiscal
 year budget for school department

The additional funds from the indexing shall be allocated to municipal, school, Town Treasurer and Town Clerk budgets in the same percentage as those original budgets were of the total annual proposed budget. The

Town Council and the School Committee shall be responsible to allocate the additional funds within their respective organizations.

(a) Notice

Current section shall be retained except that the term Financial Town Meeting shall be replaced by the term All Day Financial Referendum. Further the phrase “ hearing shall be conducted by the Budget Committee” shall be added to the end of the last sentence.

Section 302 Special referenda

Special Meetings **Referendum** shall be called by the Town Clerk upon a resolution of no less than **four fifth (4/5)** of the Town Council or whenever five (5%) percent of the electors of the Town shall make a request in writing for the calling of a ~~Town Meeting~~ **Referendum** and direct the same to the Town Clerk; provided, that said five (5%) percent shall be computed on the total number of electors appearing on the last canvassed voting lists of the Town as having a right to vote in the transaction of any business that may be duly presented at such meeting **a referendum**. The date of such Special Meeting **Referendum** shall not exceed forty-five (45) days following certification of the petition.

(a) Restriction of Special Meetings

No Special Meeting **Referendum** shall be called without the consent of the Town Council if the subject proposed to be considered has been acted upon by a Financial Town Meeting **Referendum** within six (6) months previous to the time of such proposed call.

Section 303 Additional Financial Proposals

Current section to be removed from charter.

Section (renumbered) 304 Preparation for Referendum

The Town Council president shall schedule a meeting not more than 208 days nor less than 148 days before the All Day Financial Referendum. At a minimum all Town Council members, all School Committee members, Town Treasurer, Town Clerk, Town Administrator, Superintendent of Schools and Tax Assessor

shall attend this meeting. All the Town's representatives in the General Assembly shall also be invited to attend this meeting.

The purpose of the hearing is for the Town Council to receive public input and consider preliminary information in order for the Town Council to establish general budget goals and objectives prior to the preparation of proposed annual budgets. The Town Treasurer, Town Administrator, School Superintendent and Tax Assessor shall present a preliminary review of anticipated increases in debt obligations, the Town's tax base and any other information that may affect the Town's ability to comply with the maximum tax levy as set forth in State General Law. Without limiting the discussion, such matters as proposed new projects and/or capital expenses, contractual obligations, mandates, projected school population and other items affecting the budget should be discussed. The Town Council president will be the presiding official at the meeting. The Town Council role in the meeting shall be to carry out its section 407 paragraph 1) and 2) of the Town Charter powers and duties.

(b) Preparation of Budget

- 1.) Town Administrator: Prepare and present municipal budget to Town Council no later than 118 days before the All Day Financial Referendum as per Section 503-1 of this Charter.
- 2.) Town Council: Approve municipal budget no later than 88 days before the All Day Financial referendum as per Section 407-3 of this Charter.
- 3.) Town Administrator: Submit municipal budget as, approved by Town Council, to Budget Committee no later than 88 days before the All Day Financial Referendum as per Section 503-1 of this Charter.
- 4.) Town Treasurer: Prepare and submit department budget to Budget Committee no later than 88 days before the All Day Financial Referendum as per Section 602-a)-9 of this Charter.
- 5.) Town Clerk: Prepare and submit department budget to Budget Committee no later than 88 days before the All Day Financial Referendum as per Section 801-(a) of this Charter.
- 6.) School Department: Prepare and submit School budget to Budget Committee no later than 88 days before the All Day Financial referendum as per Section 1101-(a) of this Charter.
- 7.) **ALL PROPOSED BUDGETS SHALL BE SUBMITTED TO THE BUDGET COMMITTEE NOT LATER THAN EIGHTY EIGHT (88) DAYS BEFORE THE ALL DAY FINANCIAL REFERENDUM.**
- 8.) Budget Committee: Review and consolidate budgets, prepare budget report and recommendations, create a docket in a format similar to that used at the former financial town meeting that shall include but not be limited to listings of departments, account numbers, amounts appropriated

for the two previous fiscal years, budget proposed by each authority and the budget committees recommended amounts. All fringe costs shall be allocated to the individual departments and all contractual obligations of the town shall be identified in the docket. The Budget committee shall hold a **Public Budget Assembly** and file budget report with Town Clerk no later than **28 days before the All Day Financial Referendum** as per Section 703-4) of this Charter. **The Town Council President will be the presiding officer at the assembly. At a minimum The Town Council, School Committee, Town Treasurer, Town Clerk, Town Administrator, Superintendent of Schools and Budget Committee shall attend the assembly. The Town Clerk shall act on behalf of the Town Council president to make the appropriate arrangements to conduct the assembly.**

- 9.) The elected Town treasurer is authorized and empowered to at least once annually release to the parties legally entitled to redeem the same, real estate conveyed to the Town by the Collector of Taxes, upon payment to the Town of taxes, penalties and expenses thereto, and to sell other parcels on which the period of redemption has expired.
- 10.) All funds allocated to capital (non-recurring) accounts, in the proposed budget be restricted for their intended purpose and that no transfer Are authorized out of those accounts, including the landfill closure account.
- 11.) All funds received from the Federal or State government for the purpose of reimbursing the Town for any expenditure authorized by appropriations made as a result of the All Day Financial Referendum shall be deposited into the Town's General Fund as surplus.
- 12.) Any supplemental funds received above that which is anticipated in the proposed budget from the Federal, State or local government for the purpose of any School department's past, current or future expenditure shall result in an equal amount of appropriated funds being deposited into the Town's General Fund as surplus.
- 13.)The Town Clerk shall take the necessary action to create the ballot information, submit it to the Board of Canvassers for their approval and get the ballots printed. The Board of Canvassers and the Town Clerk shall be in charge of the Day Financial Referendum Election preparation and conduct.

Section (renumbered) 305 Power of the Electors

The electors in a special All Day Financial **Referendum** shall have and exercise all powers granted to an All Day Financial Referendum by the laws of the state not inconsistent with this Charter.

Section 310 Unreserved General Fund

Please see separate proposal.

Reason for change

In the November 2006 general election a ballot question asking that a Charter Review Commission be established to develop, and present to the voters, a alternative to the current Financial Town Meeting was approved by Tiverton voters. This proposal is the result of that process.

Charter amendment to Articles IV and VI, new sections 407 – 16) and 602 (a)-12 entitled “ Treasurer borrowing for transacting obligations incurred by All Day Financial Referendum”.

Ballot question:

Shall the Town Treasurer, with Town Council approval, be authorized to borrow up to a maximum of \$500,000.00 if such funds are necessary for transacting obligations incurred by the All Day Financial Referendum?

Section 407 Powers and Duties

16.) May approve, in advance, by a four- fifth (4/5) vote of the Council the Town Treasurer, If necessary for transacting obligations incurred by the All Day Financial Referendum, borrowing up to \$500,000.00 in the name and on the credit of the Town.

Section 602 Town Treasurer

(a) 12.) The Town Treasurer, If necessary for transacting obligations incurred by the All Day Financial Referendum, is authorize to borrow up to \$500,000.00 in the name and on the credit of the Town with the approval of a four-fifth (4/5) vote of the Town Council.

Reason for Addition:

To replace resolution which previously has been voted at the Financial Town Meeting.