

Motion on Referendum:

Move to **Rescind** all the Motions passed at the April 24, 2008 meeting in their entirety, and **Substitute** the following Motion in their place:

Move that:

- The Board of Directors' [BOD] current unrestricted authority to determine the Town budget and determine Manchester taxpayers' aggregate Property Taxes be modified by Charter Revision to:
  - (1) establish the annual Cost Of Living Adjustment [COLA] as defined herein as a guideline for the maximum aggregate annual Property Tax increase, and
  - (2) require the BOD to obtain voter approval for any proposed budget that would prompt an aggregate annual Property Tax increase for Manchester taxpayers exceeding the COLA guideline.
- The COLA percentage amount shall be determined by a comparison of year-end (December to December) percentage changes in the U.S. Department of Labor Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, U.S. City Average, Not Seasonally Adjusted, table CPI-U, the broadest, most comprehensive Consumer Price Index.
- The Board of Directors shall, by majority vote, retain the authority to finally approve a proposed Town budget that does not increase the aggregate Property Taxes paid by all Manchester taxpayers as a whole by more than the percentage change in the Cost Of Living Adjustment [COLA], e.g., for any budget approved in 2008, the COLA would be based upon the CPI-U percentage change comparing December of 2007 to December of 2006, which was a 4.1% increase.
- However, if by majority vote the Board of Directors recommends a budget that would increase Manchester taxpayers' aggregate Property Tax payments by more than the COLA amount, then:
  - An automatic Referendum on the BOD's recommended budget shall be held as soon as practicable, on such date as the BOD shall determine.
  - The Referendum shall not require voter Petition, and shall be a one-time "Up-Down" vote.

- If the BOD's recommended budget requiring an excess-of-COLA aggregate Property Tax increase for all Manchester taxpayers as a whole is approved by a majority vote of those voting in the one-time Referendum, the BOD's recommended budget shall be adopted as the final budget.
- If the BOD's recommended budget and excess-of-COLA aggregate Property Tax increase is not approved by a majority vote of those voting in the one-time Referendum, then the final budget shall be reduced by the BOD to an aggregate amount that establishes Manchester taxpayers' aggregate Property Taxes at the prior fiscal year's aggregate Property Tax amount plus the COLA.
- There shall be only one exemption or exception to the requirement that a Referendum be held if the Board of Directors recommends by majority vote a budget that would serve to increase Manchester taxpayers' aggregate Property Taxes by more than the COLA, namely taxes generated by new growth in the Grand List, e.g. new growth added approximately 0.6% to the Grand List which forms the tax base for the fiscal 2008/09 budget year and is expected to generate about \$850,000 in new tax revenue. All other Town budget items shall be included in the requirement that a budget Referendum be held, including but not limited to debt service, employee salary increases, employee health insurance increases, utility cost increases, etc.
- There shall be no minimum requirements on voter turnout for the approval or rejection of the BOD's recommended budget.
- These Referendum provisions shall apply to aggregate Property Taxes paid by all Manchester taxpayers as a whole, and shall not affect or change the valuation or revaluation of individual properties or individual tax assessments.

Moved by