

## **Enclosure X to CRC Report to the Town Council**

### Charter Revision Commission – Issue of a Budget Referendum CRC Minority Opinion

The Charter Revision Commission (CRC) was appointed by the Town Council and first met on 9 July 2007. After organizational business, its first significant action was the conduct of an initial public hearing, required by CGS and by common sense to determine issues and ideas on the minds of Groton residents. This was followed by eleven months of approximately biweekly meetings to arrive at a set of revisions to present to the Town Council, and then another public hearing to hear comment on the results of the CRC's recommendations.

One major issue raised was that of a public referendum to approve an annual budget under certain circumstances. Public opinion on the question of a budget referendum has been mixed, with overall approximately equal numbers speaking in favor and opposition to it. At the CRC's first public hearing on 30 July 2007; approximately a dozen people were in attendance. Five people spoke to the issue of a budget referendum, which would be an extraordinary action that would be taken under certain fiscal conditions; four spoke in favor of it and one opposed. At a subsequent meeting of the CRC, three residents spoke in favor of a referendum, to be invoked under certain fiscal conditions, recognizing that the conditions offered would invoke a referendum only rarely, based on past history. At another subsequent meeting of the CRC, one resident spoke in opposition to a referendum, citing scheduling concerns – would there be time for a referendum to be conducted before the beginning of the new fiscal year.

At the 12 May 2008 meeting of the CRC, with six of the original nine members present, the CRC voted 2-4 on the question of a budget referendum, the question failing. It is under the precept that the question of a budget referendum should be posed to the citizens that this minority opinion of the CRC is presented. At the CRC public hearing on 14 July 2008, with eight attendees, five citizens spoke in opposition to a budget referendum and one supported it. Interestingly, three of the five who spoke against a referendum cited the frequent budget disruptions in Stonington during its budget referenda. It is important to note that there is no threshold criterion for a budget referendum in Stonington – a referendum is called by a discretionary decision by either the Board of Selectmen, the Town Meeting, or citizen petition.

A candidate criterion for the invocation of a budget referendum in any given year is as follows: "When the percentage increase in either the Town Operating Budget (minus debt service) or the Board of Education Budget exceeds the average of the three most recent Social Security benefit increases, that budget shall be considered for approval by a referendum vote on voting machines at a single referendum called for that purpose. If a budget is not approved by the referendum, the budget process shall begin again as specified in Section 8.4, (i.e. at the Town Council stage) of the Town Charter. Should the revised budget process resulting from a failed referendum run into the new fiscal year, the operating budgets of the former fiscal year shall be followed until such time as the process concludes with a successful new budget adoption."

The valid concern of budget timeliness may be met by an adjustment of schedule that provides for the Board of Education and the political subdivisions to submit their budgets

to the Town Manager earlier, at the same time as the Town’s departments, and for the Town Manager to forward his overall budget to the Town Council similarly earlier. The following revised schedule would apply, indicating days before the end of the fiscal year for budget submissions (this is a notional schedule – this could be amended as necessary given the experiences of the budget process participants):

Action	Current	Proposed*
Departments to TM	167	206
Board of Ed to TM	122	167
Pol. Subdivisions to TM	122	167
TM to Town Council	107	152
TC public hearing on the budget	85	130
TC approves budget	63	108
RTM Annual Budget Meeting	58	103
RTM final action on budget	36	81
Budget Referendum	--	45
TC lays the tax rate	21	21

\* Proposed action dates maintain the same action periods for each step as currently exists.

[A proposed change to the Charter would convert all budget schedule references to dates of the year; the proposed schedule changes would be so referenced in the Charter revision, but are retained above as days for comparison.]

For this Charter revision process, it is suggested that the question of a budget referendum be separated from the other revisions proposed, a subordinate question being posed as follows: “Should the adoption of the Charter revisions of Question #X be successful, would you be in favor of a provision for a Town-wide public referendum on the budget should the proposed budget percentage increase exceed the average level of the three most-recent annual Social Security increases. To provide for the conduct of a budget referendum during the annual budget process, the following budget schedule changes would be made to those specified in other sections of the Charter: ...”