

#### **Article 04: Charter Amendment 3:**

**Shall the Town of Salem approve the Charter Amendments relative to Article 5 of the Charter and reflecting changes consistent with NH statutes regarding the default budget, when the deliberative session will be held, what can be placed on the ballot and the issuance of bonds?**

The amendment relates to Article 5 and seeks to follow the statutory process of municipal finance and budget law, regarding how the default budget is calculated pursuant RSA 40:13, following the issuance of bonds and notes pursuant to RSA 33:7, RSA 33:8 and RSA 33:8-a, and including collective bargaining agreements as part of the official ballot vote.

#### **Full Text of Proposed changes:**

##### **§ 5.3.1 Default Budget**

The Council shall prepare a default budget which shall be the final budget if the general budget article in the warrant is not approved. The amount of the default budget shall be **determined in accordance with the procedures laid out in RSA 40:13.** ~~identified in the budget article on the warrant. In accordance with the Municipal Budget Act, the total value of the default budget shall be the sum of the following appropriations and adjustments of the budget of the previous year and shall not be based on any other appropriations:~~

~~A. The annual operating budget from the previous year, based on the approved budget article or the default budget, increased or decreased based on debt service for outstanding bond issues, less any extraordinary one-time items or "earmarked" items that were included in the operating budget that is the basis for the default budget;~~

~~B. The amount of any appropriations by special or separate warrant articles that were identified on the ballot for purposes that will be continued in subsequent budget years;~~

~~C. The cost effect for the budget year of previously approved collective bargaining agreements.~~

##### **§ 5.6 Finalizing the Budget by Official Ballot**

C. The first session of the Annual Meeting, which shall be for the transaction of all business other than voting by official ballot shall be held **in accordance with the rules set forth in RSA 40:13, between the second Tuesday of February and the Saturday following the second Tuesday in February,** at a time prescribed by the Town Council. The second Tuesday in March shall be deemed the Annual Meeting date for purposes of all applicable statutes pertaining to hearings, notice, petitioned articles, and warrants, including, but not limited to, RSA 31:95-d, RSA 32:5, RSA 33:8-a, RSA 39:3 and RSA 39:5. RSA 39:3 shall only be used for the purpose of petitioned warrant articles for appropriations.

M. Warrant articles concerning the issuance of bonds or notes, **or collective bargaining agreements,** shall be placed on the official ballot for approval by the voters. Approval of all warrant articles shall be as provided by New Hampshire State Law.

## **§ 5.12 Issuance of Bonds and Notes**

The Council shall follow the procedures set out in RSA ~~33:8-d, 33:8-a~~ **33:7, 33:8 and 33:8-a** for the issuance of bonds and notes. The questions shall be acted upon by official ballot in accordance with §3.7.1 and shall require an affirmative vote of 3/5 of the votes cast.