

Process Overview

POTENTIAL SEQUENCES FOR DEBT EXCLUSION VOTE

Presenters

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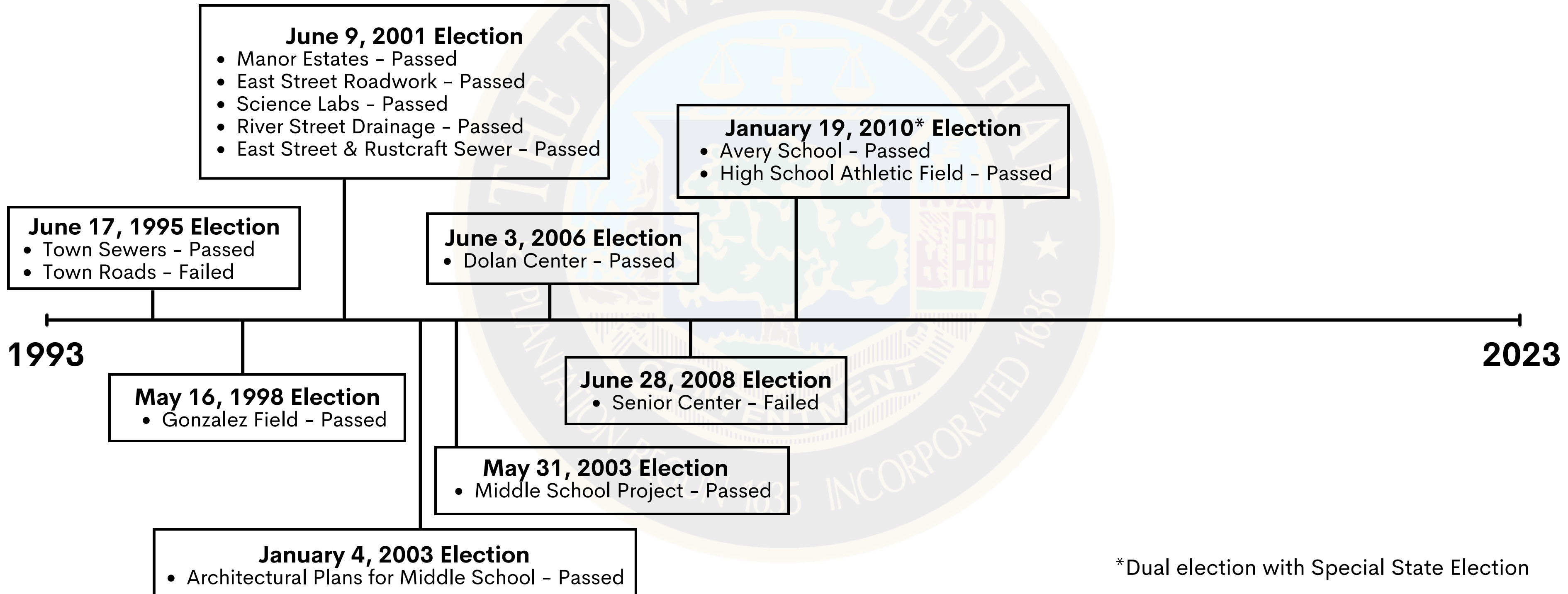
TOWN OF
DEDHAM
MASSACHUSETTS

Assumptions

- Information presented tonight is for discussion purposes only – no decisions have been made
- Presentation of this information by staff and Town Counsel does not indicate any endorsement or position
- Sequences presented are based on current project designs anticipated to be reviewed/voted by MSBA on **February 28, 2024**
- Upon approval, MSBA gives **maximum 120 days** to secure funding (June 27, 2024)
- Select Board has **sole authority** to place debt exclusion questions on Townwide Ballot
- Deadline to place question on Annual Town Election Ballot is **March 11, 2024**
- 2024 Confirmed Dates to Note:
 - Warrant Closes for Spring Annual Town Meeting: February 16, 2024
 - Presidential Primary: Tuesday, March 5, 2024
 - Annual Town Election: Saturday, April 13, 2024
 - Spring Annual Town Meeting: Monday, May 20, 2024
 - State Primary Election: Tuesday, September 3, 2024
 - Presidential Election: Tuesday, November 5, 2024

Local Debt Exclusion Votes - Looking Back 30 Years

All followed sequence of Special Town Election **AFTER** Town Meeting Vote



*Dual election with Special State Election

A Debt Exclusion Explained

What is a Debt Exclusion?

A temporary increase in the tax levy for the life of a loan to pay for borrowing costs.

How does it differ from an override?

An override is a permanent increase in the tax levy for operating costs.

How does a debt exclusion get placed on a townwide ballot?

Only the Select Board can place a debt exclusion on the ballot.

Why are two votes required for a debt exclusion?

- Town Meeting vote appropriates the funds and authorizes the borrowing.
- The election vote authorizes the funds to be raised outside the otherwise applicable limits of Proposition 2 ½.

Warrant Article vs. Ballot Question - A Comparison

Town Meeting Warrant Article

Warrant article authorizes appropriation of funds for the project and approves a borrowing as the funding source. The Recommendation will have the particular dollar amount.

Example Language:

'To see if the Town will vote to appropriate, borrow or transfer from available funds, an amount of money to be expended under the direction of [the School Building Committee] for [Insert a description of the Project, including school name, description of location, address, scope of project], which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years...' (continued on last slide)

Ballot Question

The ballot question simply asks whether the amounts needed to pay for the bonds at issue may be raised outside the limits imposed by Proposition 2 ½.

Example Language:

'Shall the (city/town) of ___ be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bond issued in order to (state the purpose or purposes for which the monies from the local issue will be used)'

Reminder:

Both votes are needed to effectuate a debt exclusion.

Potential Sequences for Discussion

Sequence A - Typical:

- Annual Town Meeting, then Special Town Election

Sequence B - Reverse Typical:

- Annual Town Election, then Annual Town Meeting

Sequence C - Start with Special Town Meeting (3 Variations):

- Special Town Meeting, then Annual Town Election (Select Board)
- Special Town Meeting, then Annual Town Election, the Annual Town Meeting (Petitioned)
- Special Town Meeting, then Annual Town Election, then Annual Town Meeting, then Special Town Election (Fails at Special Town Meeting)

Sequence A - Typical

This sequence is consistent with previous 30 years of debt exclusion votes



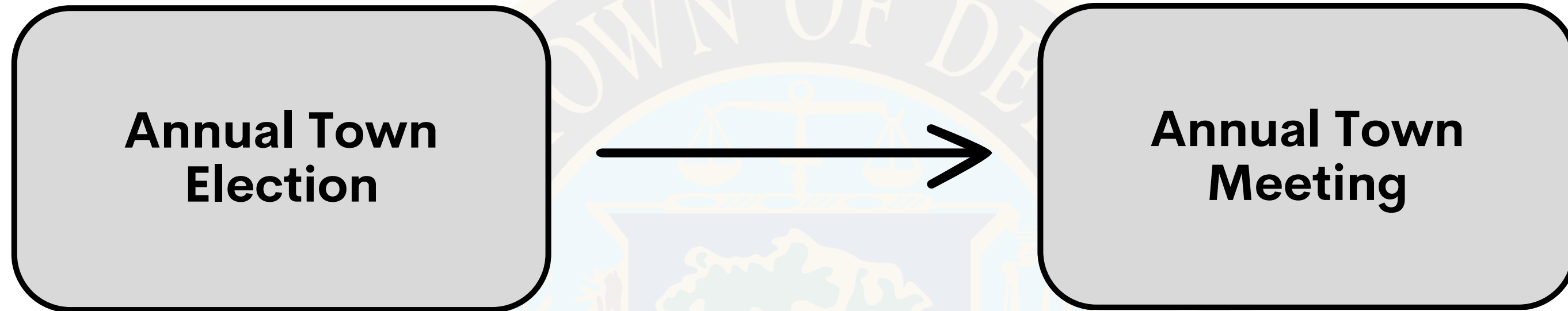
Required Steps

- Warrant Article for Annual Town Meeting
- Select Board calls for Special Election 35 days prior to Election Date

Operational Considerations

- Additional cost of Special Town Election (Approx. \$40,000)

Sequence B - Reverse Typical



Required Steps

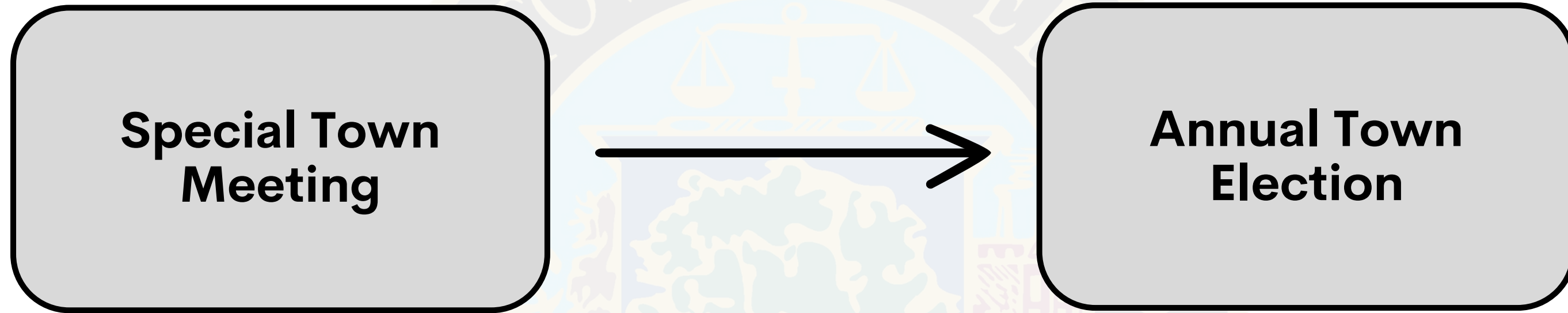
- Select Board votes to place question on ballot at least 35 days prior to Town Election
- Warrant Article for Annual Town Meeting

Operational Considerations

- No additional costs

Sequence C - Start with Special Town Meeting (Select Board)

Assumes Select Board places question on Annual Town Election Ballot



Required Steps

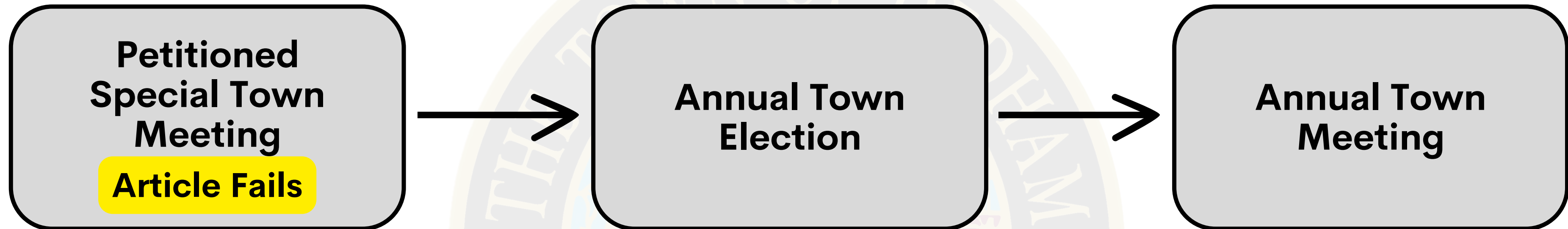
- Select Board issues Warrant for Special Town Meeting approx. 6 weeks prior to date of meeting
- Select Board votes to place question on ballot at least 35 days prior to Town Election

Operational Considerations

- Additional cost of Special Town Meeting (Approx. \$3,500)

Sequence C - Start with Special Town Meeting (Petitioned)

Assumes Select Board places question on Annual Town Election Ballot



Required Steps

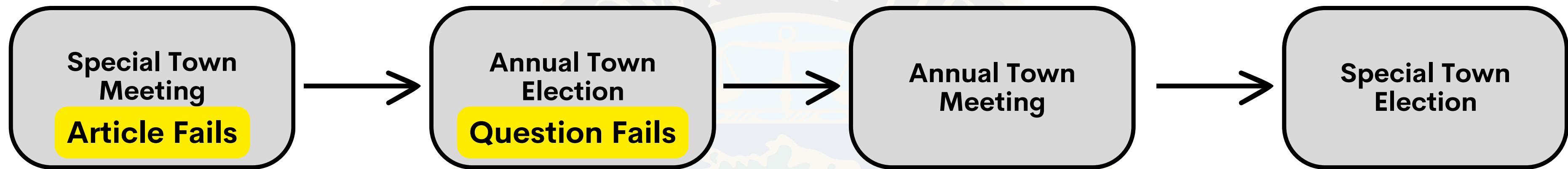
- Select Board issues Warrant for Special Town Meeting approx. 6 weeks prior to date of meeting
- Select Board votes to place question on ballot at least 35 days prior to Town Election
- Placeholder for Warrant Article at Annual Town Meeting

Operational Considerations

- Additional cost of Special Town Meeting (Approx. \$3,500)

Sequence C - Start with Special Town Meeting (Fails at STM)

Assumes Select Board places question on Annual Town Election Ballot



Required Steps

- Select Board issues Warrant for Special Town Meeting approx. 6 weeks prior to date of meeting
- Select Board votes to place question on ballot at least 35 days prior to Town Election
- Placeholder for Warrant Article at Annual Town Meeting
- Select Board calls for Special Election 35 days prior to Election Date

Operational Considerations

- Additional cost of Special Town Meeting (Approx. \$3,500)
- Additional cost of Special Town Election (Approx. \$40,000)

Additional Considerations

- **Information to Voters (Chapter 238 of the Acts of 2002)**

- Requires the Town to send to the households of each registered voter, with regard to each ballot question, what is known as "Information to Voters". The information contained in the booklet includes the text of the question, so-called "yes" and "no" statements, and a fair and concise summary.

- **"Proponent and Opponent Statements"**

- Section 2 of Chapter 238 also requires the Town to solicit and send to each voter arguments for and against the measure, written by those most likely to best represent the interests of the proponents and opponents (established ballot question committees, if any).
 - Arguments can be 250 words OR LESS and are NOT "approved" or otherwise endorsed by the Town.
 - MUST be filed with the Town not later than 14 days prior to the date the Information to Voters must be sent to all registered voters (one per household)

The entire booklet must be sent to voters not later than 10 days prior to the date of the election.

Reference Information

Full copy of example Warrant Article Language (referenced on slide 4):

To see if the Town will vote to appropriate, borrow or transfer from available funds, an amount of money to be expended under the direction of [the School Building Committee] for [Insert a description of the Project, including school name, description of location, address, scope of project], which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 year, and for which the Town may be eligible for a school construction grant from the Massachusetts School Building Authority ("MSBA"); the Town acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town; any grant that the Town may receive from the MSBA for the Project shall not exceed the lesser of (1) _____ percent (%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; and provided further that any appropriation hereunder shall be subject to and contingent upon an affirmative vote of the Town to exempt the amounts required for the payment of interest and principal on said borrowing from the limitations on taxes imposed by M.G.L. 59, Section 21C (Proposition ²1½)]; and that the amount of borrowing authorized pursuant to this vote shall be reduced by any grant amount set forth in the Project Funding Agreement that may be executed between the [City/Town] and the MSBA, or take any other action relative thereto.