

Process and Timelines for Scheduling a Debt Exclusion Presentation



**Presentation to Ways and Means Committee
January 29, 2020**

Background

- Proposition 2 ½ was enacted in November of 1980 and is incorporated within Massachusetts General Law chapter 59.
- The Department of Revenue is the state agency that regulates Proposition 2 ½ (as it does for all municipal finance matters).
- Proposition 2 ½ limits the amount of revenue a city or town may raise from local property taxes each year to fund municipal operations; however the law also allows a city or town to increase tax revenues above that limit with approval of voters at an election.

Types of Ballot Questions

Override vs Exclusion

- Override—Permanent increase in the tax levy to support expenses that are likely to recur or continue into the future, such as annual operating and fixed costs, but may be used for any municipal purpose. The increased amount becomes the new base for future annual tax increases.
- Exclusion—Temporary tax increase to fund specific projects. The length of the increase is based on the term of the bond issued for each specified project and it does not become part of the base for calculating future years' levy limits. Exclusions may only be used to fund capital projects.

Process for Placing a Debt Exclusion Question on the Ballot

- Proposition 2 ½ questions are placed on an election ballot by a vote of the Town Council.
- The council must vote the question(s) exactly as it/they will appear on the ballot. For an exclusion, a 2/3 vote of the council is needed to place the question on the ballot.
- A city or town may present Proposition 2 ½ questions to the voters as many times during the year as it chooses, but the vote of the full council must take place no less than 35 days prior to the election.

Format of the Ballot Question

- Proposition 2 ½ specifies the form of each type of ballot question and the exact language must be used to properly place a question before the voters. The only discretion in the language is the “purpose” phrase.
- The purpose used in a question must be a spending or borrowing purpose—meaning the purpose for which the council could vote to appropriate money or authorize debt.
- Exclusion questions are designed to fund specific capital projects so the borrowing/spending purpose in an exclusion question must describe the particular project(s) being funded by the question.

(i) Shall the Town of Braintree be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bonds issued in order to pay costs of designing, constructing, equipping and furnishing a new South Middle School, to be located behind the existing South Middle School at 232 Peach Street in Braintree, Massachusetts, including the payment of all costs incidental or related thereto?

Yes _____ No _____

(ii) Shall the Town of Braintree be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bonds issued in order to pay costs of replacing the roofs at Highlands Elementary School (144 Wildwood Avenue, Braintree MA), Flaherty Elementary School (99 Lakeside Drive, Braintree, MA), Hollis Elementary School (482 Washington Street, Braintree, MA), Liberty Elementary School (49 Proctor Road, Braintree, MA), Monatiquot Kindergarten (25 Brow Avenue, Braintree, MA) and Morrison Elementary School (260 Liberty Street, Braintree, MA), including the payment of all costs incidental or related thereto?

Yes _____ No _____

(iii) Shall the Town of Braintree be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the bonds issued in order to pay costs of a feasibility study with respect to the redevelopment of Braintree High School, to be located at 128 Town Street, Braintree, Massachusetts, including the payment of all costs incidental or related thereto.

Yes _____ No _____

(iv) Shall the Town of Braintree be allowed to exempt from the provisions of Proposition two and one-half, so called, the amounts required to pay for the bonds issued in order to pay costs of enhancing security measures throughout the school system, including the payment of all costs incidental or related thereto?

Yes _____ No _____

Calendar of Events

- January 21, 2020—Following Motions are referred to Ways & Means Committee:
 - **20 005 Mayor:** Authorization to fund South Middle School subject to and contingent on an affirmative vote of the Town in favor of a debt exclusion or take up any action relative thereto.
 - **20 006 Mayor:** Authorization to fund the replacement of roofs at the following schools: Highlands, Flaherty, Hollis, Liberty, Monatiquot and Morrison subject to and contingent on an affirmative vote of the Town in favor of a debt exclusion or take up any action relative thereto.
 - **20 007 Mayor:** Authorization to fund a feasibility study with respect to the redevelopment of Braintree High School, to be located at 128 Town Street, Braintree, Massachusetts subject to and contingent on an affirmative vote of the Town in favor of a debt exclusion or take up any action relative thereto.
 - **20 008 Mayor:** Authorization to fund the enhancement of security measures throughout the school system subject to and contingent on an affirmative vote of the Town in favor of a debt exclusion or take up any action relative thereto.
 - **20 009 Mayor:** Approval for the calling of debt exclusion ballot questions at a special election.

- January 29-February 4, 2020—Ways & Means Committee meets to review motions and make recommendation to Full Council

- February 4, 2020—Full Council holds public hearing on motions and takes a vote.

- February 14, 2020—Statements of Interest for Accelerated Roof Repairs Due to MSBA (Decision expected in June 2020).
- March 28, 2020—Special Election (contingent on vote of the Council calling for special election).
- April 8, 2020—Statements of Interest for High School Eligibility Due to MSBA (Decision expected by January 2021).