



FY2010 Debt Exclusion Public Hearing

Presented By:
Finance Committee
March 9, 2009



Agenda

- Role of the Finance Committee
- Capital Budgeting Process
- FY2010 Capital Budget Overview
- Debt Exclusion Financing
- Q&A



Development of Capital Budget

- **Role and Responsibility: (source: Town Code)**
 - *Prepare and present the Omnibus Budget (operating and capital)*
- **Mission:**
 - *Define a financial strategy that is the basis for recommending fiscally responsible operating and capital spending plans.*
- **Financial Strategy:**
 - *Continued infrastructure investment via a planned capital spending program governed by the new CIP.*



FY10 Capital Budget Overview

- Capital Budget Summary
- Cash Capital
- Non-Exempt
- Exempt or Debt Exclusion



FY10 Capital Budget Summary

Total Recommended Capital	\$3,141,000
Cash Capital	\$150,000
Non-Exempt Capital	\$785,000
Exempt Capital (Five Items)	\$1,080,000
Exempt Capital (High School Design)	\$726,000
Water Dept – (debt service included in water rates)	\$400,000



Cash Capital Items

- Regularly occurring, replaceable equipment and vehicles with a short lifespan (< 5 years).
- No impact on tax rate, included in operating budget

Technology (town and public safety)	\$55,000
Equipment (landfill and JCC)	\$65,000
Vehicle (school)	\$30,000
Total	\$150,000



Non-Exempt Items

- Regularly occurring, replaceable equipment and vehicles < \$100,000
- Number of items limited to capacity within existing debt service
- No impact on tax rate, included in operating budget

School Technology	\$550,000
DPW Vehicle & Equipment	\$235,000
Total	\$785,000



Debt Exclusion Items

- All building repairs
- Equipment & vehicles > \$100,000
- Temporary increase in tax rate

New High School Design *	\$726,000
Building Repairs - Town	\$495,000
Public Safety – Ambulance & ALS Equip	\$240,000
Assessors Full List & Measure	\$200,000
Building Repairs – School	\$120,000
Playing Fields Renovation	\$25,000
Total	\$1,806,000

* Under the proposed MSBA arrangement for cost sharing and accepting prior work the amount to be funded for additional design services by the town is estimated to be only \$316,000 . This item will be presented on election day in a separate ballot question



Tax-Neutral Debt Exclusion

For FY2010, the proposed debt exclusion will be “tax neutral”.

“Tax neutral” means that the recommended increase in borrowing to fund the exempt capital items is equal to or less than the debt exclusion borrowings that are maturing that year.



Key Dates for Debt Exclusion Vote

- **February 2nd** : FinCom made recommendation to BoS. Vote: 6-0.
- **February 23rd** : BoS reviewed and voted to put debt exclusion questions on the April ballot. Vote: 5-0.
- **March 9th** : Joint Public Hearing on Debt Exclusion by BoS and FinCom.
- **April 7th** : Election day. Each debt exclusion question must pass by majority vote. *These votes provide the approval to borrow the funds under each debt exclusion question.*
- **April 13th** : Town meeting. The high school feasibility funds are included in article #xx. All other debt exclusion items are included in the capital budget. Both articles must pass by 2/3 vote (borrowing). *This vote authorizes the borrowing of funds for the specific projects and amounts.*



FY2010 Debt Exclusion Summary

- \$1,806,000 proposed in two debt exclusion questions: one for five items and one for the high school design.
- This amount matches the debt service maturing resulting in a “tax neutral” debt exclusion.
- Ballot questions vote authorizes the means of financing (debt exclusion). Majority vote to pass.
- ATM vote authorizes the actual items and confirms the borrowing; 2/3 vote needed to pass.



FY2010 Debt Exclusion Hearing

Q&A