INFORMATION ON THE FEASIBILITY STUDY BALLOT VOTE

As you are aware, there is a ballot vote in Townsend & Ashby scheduled for April 23, 2012. One of the items to be decided is how to fund Towns’ share of the bond issued by North Middlesex Regional School District to conduct a feasibility study for the High School building.

A YES vote would allow the town to “debt exclude” these funds and provide the option to raise the money through tax revenue outside the provisions of proposition two and one-half. This provides the town administration options on how to appropriate the funds for the feasibility study bond if approved by the community at town meeting. Unlike an override vote, funding by debt exclusion limits the elevation of the town levy for the life of the debt only. Once paid, the amount of debt exclusion is removed from the town levy.

A NO vote would require the town to raise these funds within the provisions of proposition two and one-half. This would require funding within the existing town budget or raise the funds through an override vote at town meeting.

What is Debt Exclusion:

Proposition 2 and one-half allows a community to raise funds for certain purposes above the amount of its levy or levy ceiling. A community can assess taxes in excess of its levy limit or levy ceiling for the payment of specified debt service costs. An exclusion for the purpose of raising funds for debt service costs is referred to as a debt exclusion. Debt exclusions require voter approval.

The additional amount for the payment of debt service is added to the levy limit or levy ceiling for the life of the debt only. Unlike overrides, exclusions do not become part of the base upon which the levy limit is calculated for future years.

Regardless of the outcome of the ballot vote on April 23, 2012, conducting the Feasibility Study will need to be voted and approved at Town Meetings in May. The ballot vote only provides options for how the funds will be appropriated.