Bulletin ARP-04

Local Votes by Cities and Towns that have been invited to enter into a Project Funding Agreement with the Massachusetts School Building Authority for an Accelerated Repair Program Project

Requirements for Warrant Articles, Motions, Orders, Votes, and Ballot Questions

Applicability: This Bulletin only applies to **Cities and Towns** that have been invited to enter into a **Project Funding Agreement** ("PFA") with the MSBA for an Accelerated Repair Program Project ("ARP Project") and are seeking guidance on the MSBA's local vote requirements.

Regional School Districts that have been invited to enter into a PFA with the MSBA for an ARP Project and are seeking guidance on the local vote requirements should review **Bulletin ARP-03**

Cities and Towns that are seeking guidance on appropriating the Feasibility Study/Schematic Design funds for an ARP Project should review **Bulletin ARP-01**.

Regional School Districts that are seeking guidance on appropriating the Feasibility Study/Schematic Design funds for an ARP Project should review **Bulletin ARP-02**.

Voting Timeline: Please note that ***only*** those Cities and Towns that the MSBA Board of Directors has invited to enter into a PFA with the MSBA for an ARP Project should vote to appropriate and authorize the Total Project Budget (the "TPB") for an ARP Project. Cities and Towns are urged to contact the MSBA at least two weeks before finalizing an article, motion, vote, order, resolution, ballot question, or other vote (collectively the "Local Vote") for the funding of an ARP Project because there may be additional requirements depending on the particulars of the ARP Project.

If a City or Town has already voted to appropriate and authorize the TPB for an ARP Project, please get in touch with the MSBA immediately. The MSBA may require clarification of the Local Vote or a new Local Vote that meets the MSBA's requirements.

Cities and Towns that the MSBA has not invited to enter into a PFA with the MSBA should not be voting to appropriate and authorize the TPB for the ARP Project at this time.

Appropriation Amount: A City or Town must vote to appropriate and authorize the TPB, which is the **full amount** of an ARP Project's cost, including both the local share and the MSBA's share, if any. The amount to be appropriated and authorized for the TPB includes the amount that was already appropriated and authorized for the Feasibility Study/Schematic Design costs.

Definition of TPB from the PFA: The TPB means a complete and full enumeration of all costs, including both hard costs and soft costs, so-called, that a district reasonably estimates, to the best

of its knowledge and belief, has been or will be incurred in connection with the planning, design, construction, development, the mobilization of the operation, and the completion of the project, approved by the Massachusetts School Building Authority, which may be updated from time to time by mutual agreement of the Parties and which is attached to the Project Funding Agreement as Exhibit A.

Requirements for all Cities and Towns:

1. Cities and Towns should use the template Local Vote language incorporated within this document to appropriate and authorize the TPB. The funds can be borrowed or transferred from local budgets.

2. Cities and Towns should provide their Local Vote language to the MSBA **at least two weeks prior to finalizing** so the MSBA has sufficient time to review and approve the language. Please be advised that if a City or Town votes without receiving MSBA's approval of the Local Vote language, the City or Town may be required to re-vote using language required by the MSBA.

3. Prior to submitting draft Local Vote language to the MSBA, Cities and Towns should consult with their local counsel and bond counsel to ensure that the Local Vote language is in compliance with municipal finance law and all other applicable laws, regulations, local bylaws, and ordinances.

4. Cities and Towns that proceed with studying, planning, designing, renovating or constructing a school facility without the collaboration and approval of the MSBA will not be eligible for MSBA funding.

5. As a reminder, the amount to be appropriated and authorized for the TPB includes the amount that was already appropriated and authorized for the Feasibility Study/Schematic Design costs. Therefore, the appropriation amount authorized for the Feasibility Study/Schematic Design costs shall not be added to the appropriation amount authorized for the TPB to increase the TPB for funding additional project costs that may arise later in the ARP Project.

6. The motion/vote/order shall be a **separate, stand-alone vote, solely for the purposes of the ARP Project**. The motion/vote/order for the ARP Project must not pertain to or be bundled with any other school or municipal project. The motion/vote/order must be project specific and must include specific information about the ARP Project location and scope. Please note that a City or Town may combine multiple ARP projects in the same motion/vote/order if such projects were invited to the ARP through the same Board vote and are not subject to proposition two and one-half ballot questions. The combined motion/vote/order should list each ARP Project, including its proposed scope and appropriation amount. Alternatively, Cities and Towns may vote on each ARP Project separately. Cities and Towns should consult with their local finance officials to determine the best course of action.

7. All warrant articles, motions, resolutions, orders and votes, with the exception of a Proposition two and one-half ballot question, must include the following provisions:

    - The appropriation amount for the TPB in the motion/vote/order includes the amount that was already appropriated and authorized for the Feasibility Study and Schematic Design costs.

    - A description of the site of the project, including the address of the school building and a description of the parcel.

    - "The proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program."

    - "The MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs that the [*City/Town*] incurs in excess of any grant that may be received from the MSBA shall be the sole responsibility of the [*City/Town*]."

    - For the debt authorization provision, the following language must be included: "the amount of borrowing authorized pursuant to the vote shall be reduced by any amounts received or expected to be received from the MSBA prior to the issuance of any bonds or notes under this vote."

8. **A form of article, motion, order, vote is attached as "Attachment A," and a city or town must use this form to qualify for MSBA funding.**

9. Proposition Two and One-Half Ballot Questions: All ballot questions for an ARP Project must be solely related to that ARP Project, with only one ARP Project per vote. The ballot question related to the ARP Project must not pertain to or be bundled with any other school or municipal projects.

10. **A form of ballot question is attached as "Attachment B," and a city or town must use this form to qualify for MSBA funding.**

See pages below for template vote language

Attachment A

ARTICLE

To see if the **[*City of _____/Town of _____*]** will vote to raise and appropriate, transfer from available funds, and/or borrow a sufficient sum of money to be expended under the direction of **[*the School Building Committee or Appropriate Body*]** for **[*Insert a description of the Project, including school name, description of location, address, scope of project*]**, which proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program, and for which the **[City/Town]** may be eligible for a school construction grant from the Massachusetts School Building Authority ("MSBA"). The **[*City/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 **[*City/Town*]** incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the **[*City/Town*]**. Any grant that the **[*City/Town*]** may receive from the MSBA for the Project shall not exceed the lesser (1)_____**percent (____%)** of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA.

The Reimbursement Rate that was approved by the MSBA Board of Directors when the District received their PFA vote.

MOTION/VOTE/ORDER

That the **[*City of _____/Town of _____*]** hereby appropriates the amount of __($_____) Dollars, **[*which includes the ($Dollar Amount) already appropriated for the Feasibility Study and Schematic Design costs on (Month Day, Year)*]**, for the purpose of paying costs of **[*Insert a description of the Project, including school name, description of location, address, scope of project*]**, including the payment of all costs incidental or related thereto (the "Project"), which proposed repair project would materially extend the useful life of the school and preserve an asset that otherwise is capable of supporting the required educational program, and for which the **[*City/Town*]** may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of **[*the School Building Committee or Appropriate Body*]**. To meet this appropriation the **[*Insert the appropriate local official or Board e.g., Treasurer with the approval of the Mayor/Select Board/City Council/Finance Committee*]**, is authorized to **[*appropriate from available funds/borrow/transfer from (Insert Fund Name)*]** said amount under M.G.L. Chapter 44, or pursuant to any other enabling authority. The **[*City/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 **[*City/Town*]** incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the **[*City/Town*]**; provided further that any grant that **[*City/Town*]** may receive from the MSBA for the Project shall not exceed the lesser (1) _____ **percent (____%)** of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; [provided that any appropriation hereunder shall be subject to and contingent upon an affirmative vote of the **[*City/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 2½)]; 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.

Date of FS/SD appropriation and amount appropriated.

If voting to appropriate funds for multiple ARP projects, please provide the scope for each project and the amount being appropriated for each.

Keep only if vote is subject to and contingent upon a debt exclusion, otherwise remove.

Keep language only if authorizing borrowing of funds, otherwise remove.

The Reimbursement Rate that was approved by the MSBA Board of Directors when the District received their PFA vote.

Attachment B

BALLOT QUESTION

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 bonds issued in order to **[*Insert description of the Project*]?**