

Commonwealth of Massachusetts
Town of Hanover
Warrant for *Special* Town Meeting
With Advisory Committee Recommendations

Plymouth, SS

Greeting: To any Constable of the Town of Hanover in said County.

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify and warn the inhabitants of said town who are qualified to vote in Elections and Town Affairs to meet in the Hanover High School, 287 CEDAR STREET, HANOVER, on

MONDAY THE 26th DAY OF SEPTEMBER, 2016
Special Town Meeting at 7:00 P.M.



Pursuant to the Americans with Disabilities Act, the Town will make every effort to assure that Town Meeting is accessible to individuals with disabilities. Should any assistance be desired in this regard, please contact the Board of Selectmen's Office at (781) 826-5000 ext. 1084.

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2	Appropriate Funds – Center School Renovations	School Building Committee

ARTICLES FOR ***SPECIAL*** TOWN MEETING WARRANT
Monday, September 26, 2016

ARTICLE 1. PAYMENT OF PRIOR FISCAL YEAR(S) EXPENDITURES

To see if the Town will vote to pay unpaid bills from prior fiscal year(s), or take any other action relative thereto.

Finance Director

We move that the Town vote to transfer \$186.41 to pay certain unpaid bills, as identified in the chart below:

SOURCE				USE	
Description	TM Ref	Art #	Amount	Description	Amount
Portable Light Tower	ATM 2014	31	\$ 186.41	Health Express	\$ 186.41

Commentary: This is a general housekeeping item. The amount identified as a “Use” in the chart shown is an invoice presented for payment after the close of the fiscal year. The amount shown as a “Source” on the chart is excess funds remaining and unexpended from an appropriation made at the FY 2014 Annual Town Meeting that is not longer needed. Pursuant to state law, a Town Meeting vote is required to accept and pay these outstanding invoices.

ARTICLE 2. APPROPRIATE FUNDS – CENTER SCHOOL RENOVATIONS

To see if the Town will vote to appropriate, borrow or transfer from available funds, a sum of money to be expended under the direction of the School Building Committee to pay costs of designing, constructing, equipping and furnishing an addition to the Center Elementary School, located at 65 Silver Street, Hanover, Massachusetts 02339, which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, and for which the Town may be eligible for a school construction grant from the Massachusetts School Building Authority (“MSBA”). 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) 53.70 percent (53.70%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA, or take any other action relative thereto.

Board of Selectmen
School Building Committee

We move that the Town appropriate the sum of Thirty-Two Million Four Hundred Forty-Six Thousand One Hundred Sixty-One Dollars (\$32,446,161) to pay costs of designing, constructing, equipping and furnishing an addition to the Center Elementary School, located at 65 Silver Street, Hanover, Massachusetts 02339, which school facility shall have

an anticipated useful life as an educational facility for the instruction of school children for at least 50 years, said sum to be expended under the direction of the School Building Committee, and to meet said appropriation the Treasurer, with the approval of the Selectmen, is authorized to borrow said sum under M.G.L. Chapter 44, or any other enabling authority; that the Town acknowledges that the Massachusetts School Building Authority's ("MSBA") 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; provided further that any grant that the Town may receive from the MSBA for the Project shall not exceed the lesser of (1) 53.70 percent (53.70%) 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 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. Chapter 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 Town and the MSBA.

Commentary:

We would like to begin with an explanation of the amount of the appropriation and approval requested by this Article. The Commonwealth of Massachusetts has established a grant program, administered through the MSBA, to assist cities and towns with school building projects and to reduce the fiscal impact of such projects on local communities. In connection with the proposal you will hear about tonight, the Town has been conditionally approved for a grant from the MSBA in the amount of \$15,861,754. In order to take advantage of the MSBA grant, the Town must appropriate and approve financing related to the full estimated cost of the project - \$32,446,161. For this reason, the full project cost amount is reflected in the Article, however, as the project is completed, the MSBA grant program will provide a reimbursement to the Town in accordance with a Project Funding Agreement up to the total amount of the grant. As such, the amount of borrowing authorized under this Article is reduced by the amount of the grant. Upon completion, the Town's share of the projected cost of the Project is \$16,348,717. This is the amount that the Town will finance through the issuance of bonds, to be repaid over a thirty year period.

After due consideration, the Advisory Committee has concluded that the proposed addition to Center School is necessary to address a long-standing and compelling need to upgrade the Town's elementary school building facilities. Specifically, the Town has engaged multiple experts over the past fifteen years to assist in evaluating municipal buildings and the experts have focused on the Sylvester School - concluding that the "building is obsolete", it has "effectively outlived it's usefulness as a school", and "should no longer be used for grade school student education." The proposed investment in a major renovation of the Center School has been carefully planned and considered and we believe that it represents the best financial alternative for the Town. The Advisory Committee has concluded that the Center School proposal is in the best interest of the Town and, therefore, we strongly recommend passage of the Article as presented.

The MSBA grant presents an excellent opportunity for the Town to address the Sylvester School deficiencies and other current needs at the Center School in a fiscally prudent manner. We should expect that the conditional approval of the MSBA grant will be withdrawn in the event the Town does not take two affirmative steps in the coming week. The first is approval of this Article by a 2/3 majority tonight. The second is the approval by ballot vote on October 1, 2016 of an exemption of the amounts required for the payment of interest and principal on the bond issuance from the limitations on taxes imposed by proposition 2½. If the Town does not take either of these steps, it is expected that the MSBA grant will be withdrawn and the Town would have to decide whether to start the multi-year vetting and approval process over. Additionally, if the Town does not approve this measure, we anticipate several Articles will appear on the next Annual Town Meeting Warrant seeking appropriations for capital expenditures in order to address long deferred but urgently needed upgrades and accessibility issues at the Sylvester School. These costs will likely be significant and would implement only a short-term fix – a “band aid” approach, rather than a prudent investment based on a reasoned analysis of the best alternatives. In addition, there are no MSBA grant funds available for this type of repairs and renovations at the Sylvester School.

Financing the Town’s share of the cost of the project will have an impact on taxpayers. If approved, the debt incurred by the Town will be exempted from the limitations on taxes imposed under Proposition 2½. The resulting exempt debt service paid by Hanover property owners would be added to the other Town Meeting approved spending, including the annual budget, to determine the tax rate. As a result, taxes may increase more than the 2½% for years in which the debt service related to this project is due. If approved, the project is expected to be completed in 2019, at which time the permanent bond financing for the project would be put in place. The annual increase in taxes resulting from the financing has been estimated for Hanover homeowners based on the assessed value of a home as follows: \$122 per year if assessed value is \$300,000; \$202 per year if assessed value is \$500,000; and \$282 per year if assessed value is \$700,000. Keep in mind that these estimates utilize reasonable assumptions but will be subject to change based on timing and interest rates.

In reaching our recommendation today, we have taken into consideration the extensive efforts and input over the past four years of numerous Hanover residents, professionals engaged by the Town, and the Center Sylvester School Building Committee. We have also weighed the recommendations of the Hanover School Committee, the Hanover Board of Selectmen, the MSBA, the Town Manager and many other Hanover officials who have participated in the process. It should be noted that numerous alternatives have been explored – including renovating the existing Sylvester School building. The design and review process completed by the Building Committee has been rigorous. The Building Committee rejected a variety of design options and repeatedly requested that the architect refine their design to a lower budget. Because of the efforts and review of the Building Committee millions of dollars were reduced from this project. The building has been designed as a green building, which not only maximizes MSBA reimbursement points, but also will allow the Town to realize energy cost savings in the future. The MSBA review process has added a beneficial layer of expertise and oversight. The proposed project is the best alternative for the present and future needs of the Town and will result in modernized space and a state of the art educational facility that will benefit generations of Hanover school children.

And you are hereby ordered to serve this Warrant by posting attested copies thereof fourteen days, at least, before the time of said meeting.

Given under our hands this 6th day of September, 2016.

BOARD OF SELECTMEN

Brian Barthelmes

Susan Setterland

Robert O'Rourke

David Delaney

John Tuzik

_____ Constable _____, 2016

NOTICE FOR A TOWN ELECTION
Hanover High School, Cedar Street,
on **SATURDAY, the 1ST OF OCTOBER 2016,**
then and there to act on the following:

To bring in their votes for the following:

QUESTION 1

“Shall the Town of Hanover 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 an addition to the Center Elementary School, located at 65 Silver Street, Hanover, Massachusetts?

Yes_____

No_____”

Polls open from 6:00 A.M. to 8:00 P.M., unless otherwise ordered by the Town.
And you are hereby ordered to serve this Warrant by posting attested copies thereof seven days, at least, before the time of said meeting.

Given under our hands this 6th day of September 2016.

BOARD OF SELECTMEN

Brian Barthelmes

Susan Setterland

Robert O'Rourke

David Delaney

John Tuzik

_____ Constable_____, 2016