

TOWN ELECTION – JUNE 16, 2020

BALLOT QUESTION – FACTS ONLY

YOUR VOTE DECIDES WHETHER HARDWICK RESOLVES THE LONG-STANDING SEWER ISSUES OR NOT

Before you head to the polls, here's a way to understand better what the Town is trying to do as it pertains to the Wastewater Pollution Control Facilities Upgrades (WPCF's) and the Sewer Line Extension/Pump station that runs along Route 32A, starting at Eagle Hill School to Gilbertville's collection system and how the ballot question plays a significant role in the outcome of whether or not these critical issues are resolved for the long-term. There appears to be rumors and confusion about the debt exclusion question that is on the ballot, although a similar ballot question was passed by the Hardwick voters in 2018.

Therefore, I am putting this forward to you as a resident of Hardwick and as your Town Administrator who has spent the last several years turning over as many stones possible in the pursuit of long-term solutions to resolve the multitude of serious sewer issues. Along the way, it became known that the amount of money needed for the massive overhauls will never be feasible for the town to take on the funding by itself.

After many months of reaching out and communicating about the culmination of several major issues such as; EPA & DEP Consent Orders against the town (containing fines) due to our failing Wheelwright WPCF and the nearly 45 year old Gilbertville WPCF and Town's poor financial status we began to gain the attention and the commitment of assistance from several Federal and State Legislators, Federal and State Officials, and the USDA – RD Program. The dialog with all of them as well the EPA & DEP has been frequent and maintained in good faith and effort on behalf of the Town this entire time.

As a result, the Town has an application for grant funding through the USDA-RD Program that is under the last phase of review in Washington DC at this moment. If approved as officials from the USDA New England are hopeful for, the grant would be the largest that any community in the Commonwealth has ever received. Senator Gobi submitted a bond bill from the Commonwealth of \$5 Million dollars towards these projects. I applied for another grant through the federal SECD program and await their decision.

On the ballot, voters are asked to allow debt exclusion funding allowing to exempt from the provisions of Proposition Two and One-half, the amounts required to pay for the bonds issued in order to pay for the Gilbertville Water Pollution Control Facility upgrade project; Wheelwright Water Pollution Control Facility upgrade project and the Sewer Line Extension from Eagle Hill School along Rt. 32A to the Gilbertville Sewer Collection System upgrade project.

Below are frequently asked questions and answers that I hope you will find helpful in understanding what a debt exclusion actually is and further the understanding that this ballot vote does not determine the amount of a loan to be paid by the Town, but rather a necessity that allows the Town to move forward to a Town Meeting Vote on these particular projects.

FAQ's

IF THE 2018 BALLOT QUESTION WAS APPROVED, WHY ARE WE BEING ASKED TO VOTE AGAIN? *The approved ballot question no longer meets the Town's need because the USDA grant & loan that was awarded years ago clocked out.*

WHAT IS THE DIFFERENCE BETWEEN THE 2018 BALLOT QUESTION AND THIS BALLOT QUESTION? *The only difference between the two is that this ballot question put before you on June 16, 2020 encompasses all three of the sewer infrastructures projects not just the Gilbertville WPCF.*

WHAT IS A DEBT EXCLUSION? *A debt exclusion vote allows a town to raise tax revenue in addition to that generated under the Proposition 2½ limit. These additional tax revenues pay for debt (principal and interest) borrowed for a specific purpose. As in our case... upgrade both wastewater pollution control facilities and not fund it from its existing revenues (Hardwick does not have existing revenues). In other words, a debt exclusion is a means of funding a project(s) with a temporary increase in the levy limit. It is a tool that town's use to show commitment for projects and willingness to support them financially (especially to those agencies that the town has applied for grant funding towards the projects.*

HOW DOES A DEBT EXCLUSION DIFFER FROM AN OVERRIDE? *Both are Proposition 2 ½ questions and, in municipal finance language, both are technically overrides. However, there are some basic differences. While both will increase your property taxes, a debt exclusion is a temporary increase while an operating override is a permanent increase in the town's tax levy limit. A debt exclusion finances particular project(s) and your taxes increase for a period of time, to cover the cost of the project. In other words, when the financing bond/loan is paid off, your tax increase for that project goes away when it is a debt exclusion.*

WHAT DOES THE TOWN'S FINANCIAL ADVISOR THINK ABOUT DEBT EXCLUSIONS? *The Town's financial advisor, Unibank, state that large capital projects are better funded with debt exclusions. This is not support for any particular project, but rather support for the funding mechanism for any one of the large capital projects.*

WHAT DOES VOTING "YES" ON A DEBT EXCLUSION QUESTION AT THE BALLOT MEAN? *A "yes" vote allows the Town to use exempt or excluded debt to fund the project. There is no dollar amount shown in the ballot question(s). The dollar amount is voted on at Town Meeting. The project still needs to pass at Town Meeting with a two-thirds majority vote for borrowing, and the article at Town Meeting ask for a specific dollar amount in the appropriation.*

WHAT DOES VOTING "NO" ON A DEBT EXCLUSION QUESTION AT THE BOLLOT MEAN? *A "no" vote means the Town cannot exclude or exempt the debt from the levy. The project/article can still be considered at Town Meeting even if it does not achieve a majority at the ballot, but the debt would be "regular" or non-exempt debt. A two-thirds majority is still needed to pass the article at Town Meeting if it is funded with borrowing.*

Ballot Question:

“Shall the Town of Hardwick 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 for the Gilbertville Water Pollution Control Facility upgrade project; Wheelwright Water Pollution Control Facility upgrade project and the Sewer Line Extension from Eagle Hill School along Rt. 32A to the Gilbertville Sewer Collection System upgrade project; including but not limited to the costs of treatment facility upgrades and improvements, chemical systems upgrades, control building renovation, construction of an operations building, electrical facilities improvements, replacement of pumping station(s), site(s) restoration, paving and payment of all other costs incidental and related thereto including planning, design, engineering and construction costs”

IN SHORT...

A “YES” VOTE ALLOWS THE TOWN TO FOLLOW THIS THROUGH WITH GRANT FUNDING THAT WILL SIGNIFICANTLY REDUCE THE LOAN AMOUNT TO BE SPLIT 50%/50% BETWEEN THE TAXPAYERS AND THE SEWER USERS. A PASSING VOTE IS A REQUIREMENT OF THE USDA – RD PROGRAM, TO RECEIVE GRANT FUNDING AND A LOW INTEREST LOAN (1% - 2%)

A “NO” VOTE WILL RESULT IN NO GRANT FUNDING. THEREFORE, THE LOAN WOULD BE AT THE FULL AMOUNT SPLIT BETWEEN THE TAXPAYERS AND THE SEWER USERS AND WOULD HAVE TO BE A CONVENTIONAL LOAN.

IN SUMMARY, THE ABOVE SEWER ISSUES WILL NOT GO AWAY ON THEIR OWN. IT’S HARDWICK THAT MUST FIX THESE ISSUES TIMELY. IN THE END, IT IS YOUR DECISION AS TO WHETHER OR NOT YOUR WILLING TO PAY SOME OR PAY ALL OF THE ESTIMATED \$30 MILLION COST.

Respectfully,



Theresa A. Cofske