



# DLS

DIVISION OF LOCAL SERVICES  
MA DEPARTMENT OF REVENUE

Geoffrey E. Snyder  
Commissioner of Revenue

Sean R. Cronin  
Senior Deputy Commissioner

August 23, 2022

Town Manager Haddad and Groton Select Board  
173 Main St.  
Groton, MA 01450

## APPLICATION FOR DEBT EXCLUSION 2 (DE-2)

### SUMMARY

The Department of Revenue's (DOR) Division of Local Services (DLS) has received your DE-2 request regarding the Florence Roche Elementary School Project. Originally estimated at \$76,495,360, the voters approved a debt exclusion for the project on May 25, 2021. The cost estimate at the time of the DE-2 submission was \$85,995,360. The request is to have \$9,500,000 of additional project cost be considered part of the original debt exclusion since, as stated in the application, the increase in project cost is due to inflation.

<b>Municipality</b>	Town of Groton	<b>Date of Request</b>	8/16/2022
<b>Executive Body</b>	Select Board	<b>Original Estimate of Approved Debt Exclusion</b>	\$76,495,360
<b>DE-2 Cost Estimate</b>	\$85,995,360	<b>Additional Amount</b>	\$9,500,000

### AUTHORIZATION REQUIREMENTS

Per the requirements of Informational Guideline Release (IGR) No. 22-14 (Proposition 2½ Debt Exclusions), the following items must be included with the application. An "X" indicates compliance:

- ☒ Letter from the architect, cost estimator or owner's project manager's (OPM) detailing the circumstances for the cost increase
- ☒ Report showing original project costs by major category at the time of the original debt exclusion vote with revised costs by major category
- ☒ Analysis of inflationary circumstances currently impacting the project cost

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☒ Statement from the architect, cost estimator or OPM indicating that the cost increase is not related to a change in scope from the project originally approved by the electorate at the time the debt exclusion was approved

☒ Statement from the architect, cost estimator or OPM detailing any changes made since the project was originally approved to reduce the cost of the same

☒ Certified copy attached of the vote taken by the council with mayor or city manager assent, if applicable, or selectboard in public session, indicating acceptance of the architect's, cost estimator's or owner's project manager's (OPM) report

☒ Attestation from Select Board Chair/City Council President "that we accept the architect, cost estimator or OPM's report detailing the categories and reasons for project cost increases. I further attest that the increased project costs are not related to project scope changes."

## DETERMINATION

☒ Approved

☐ Denied

Additional Information Required:

☐ Yes

☒ No

Based on a review of the materials included in the application and the attestations from the Select Board Chair and architect, the DE-2 is approved and the additional \$9,500,000 of project costs are deemed to be covered by the debt exclusion approved by the voters on May 25, 2021 and, therefore, are excluded from the limits of Proposition 2 ½.

## NEXT STEPS

Based on this approval, the Select Board must now decide if a special election for another debt exclusion is warranted. If the Select Board so chooses, the Town can hold a special election at which a debt exclusion for this additional amount would be put before the electorate for approval. Alternatively, the Select Board can decline to call a special election and move directly to a new bond authorization, which is required via a two-thirds vote of Town Meeting in order to cover the additional costs. Should you have any additional questions related to this matter, please feel free to contact the Division of Local Services.

Sincerely,



Deborah Wagner  
Director of Accounts