

A decorative graphic on the left side of the slide features three interlocking puzzle pieces: a yellow one labeled 'SERVICES', an orange one labeled 'REVENUE', and a blue one labeled 'COSTS'. The pieces are arranged in a triangular pattern. Surrounding these pieces are various geometric shapes, including a purple circle at the top left, a green L-shaped line at the top right, a green L-shaped line at the bottom left, and an orange circle at the bottom right with blue dashed lines above it.

# Understanding Easton's Building Projects and Overrides

Forecast v. Current Performance of Recent  
Voter Approved Projects

**Promoting A Sustainable Easton –  
February 12, 2025**

[www.Easton.ma.us/pase](http://www.Easton.ma.us/pase)

# Building Projects - What Is A Debt Exclusion?

- In Mass., voters can authorize a debt exclusion to increase the tax levy solely for purpose of paying the bonds for a specific capital project (such as a building).
  - These increased tax dollars cannot go to operations of town or school departments.
  - They cannot be in excess of the actual debt service cost once borrowing occurs.
  - The increase goes away after the debt is paid off and the tax levy (and tax bill) drops.
- Easton voters have generously approved numerous debt exclusions - with three currently being paid and one recently paid off:
  - **Richardson Olmsted School** approved ≈1995 – paid off FY18
  - **Oliver Ames High School / EMS repairs** approved ≈ 2005 – to be paid off in FY27
  - **Blanche Ames Elementary** approved 2019 - \$95M budget – to be paid off in FY40-50
  - **Police, Fire, and Public Works facilities** approved 2023 - \$150M budget – to be paid off est. FY52-4 pending final borrowing.
- Easton last approved an operating override in 2006 (one year after the OAHS debt exclusion was approved) and rejected one in 2016.

# Debt Exclusions vs. Operating Override

- Exempt debt cannot fund operations, and the payments of the bonds are matched dollar for dollar *outside of the levy* – meaning that debt exclusions (building projects) do not negatively impact operating budget.
- Easton's projected operating deficit for FY26 is not a result of previous voter-approved debt exclusions – it is a result of explosive growth in health insurance, pension assessments, property insurances, energy and transportation costs and regional assessments following decades of minimal state revenue to Easton. Learn more about that here – [www.Easton.ma.us/fy26budget](http://www.Easton.ma.us/fy26budget)
- Debt exclusions, however, add to the tax burden, and this can and does influence whether an individual taxpayer has the capacity or desire to pay for any additional tax increase for an operating override.
- **Operating overrides**, unlike a debt exclusion, permanently increase the tax levy for operations.
- Understanding the current day cost of exempt capital projects against the forecasts that voters approved is useful information for PASE as it considers an operating override.

# Blanche A. Ames – Approved by Voters 2019

	Estimate at Voter Approval – 2019	Actual – 2025	Variance (savings)
Project Budget (total)	\$95M	\$82M	(13M) -17%
Tax RATE Impact forecast	\$1.07	\$0.43	(-0.64) -60%
Median Homeowner Tax BILL forecast	\$433 / yr	\$285 / yr	(148) -34%

Easton forecast an annual tax increase of \$433 to voters when they approved the project. It was delivered on time and \$13 million under budget. The tax impact is 34% lower than our forecast at \$285 annual for the median home.

BAA performance was positive enough to allow accelerated borrowing for 28% of debt from 30 to 20 years and still achieved the savings shown.

This will eliminate that portion of the annual debt cost a decade ahead of our original forecast and save Easton taxpayers millions in interest.

# Police, Fire, and Public Works – Approved by Voters 2023

	Estimate at Voter Approval – 2023	Updated Estimate based on Current Data- 2025	Variance (savings)
<b>Project Budget (total)</b>	\$150M	TBD once complete	
<b>Project Construction Cost</b>	<b>\$116M</b>	<b>Contract awarded 2025 - \$107M</b>	<b>(9M) -7.8%</b>
<b>Tax RATE Impact forecast upon borrow (net OAHS maturity in FY27)</b>	\$1.37	\$0.97 (based on bid savings)	(0.40) -29%
<b>Median Homeowner Tax BILL forecast (net OAHS maturity in FY27)</b>	\$719 / yr	\$628 / yr (based on bid savings)	(91) -13%

- Town comprehensive facilities assessment in 2014
- Muni Building Committee recommended replacement of these buildings in 2019.
- Voters approved feasibility funds for replacement in 2021.
- Voters approved project / debt exclusion in 2023.
- **Bid actuals and contract awarded for construction is \$9M below budget.**
- Additional contingency remains in original \$150M approval.
- Any bid savings / unspent contingency by completion will translate to lower tax impact.
- Actual final cost is TBD subject to change orders and closeout – this graph shows best estimate based on today's info and can change – but direction so far is positive.

# Recent Performance v. Forecasts at Approval

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Blanche Ames and the Public Safety / Works projects are buildings that voters approved after multiple years of public meetings, feasibility analysis and financial forecasting. The approval dates of 2019 and 2023 were one milestone along a decade + of planning.

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They are replacing more than a dozen buildings constructed between 50-100 years ago for our children and our first responders, and will provide safe, appropriate and functional space for our community for generations.

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They will eliminate \$10s of millions in long term financial liability posed by the existing facilities and allow reallocation of strained operating R&M dollars away from failing facilities and into upkeep of the many newer facilities our voters have so generously approved.

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Cumulative forecasted median tax bill impact of both projects (net OAHS) at time of voter approvals (by full borrowing – FY28)- \$1,152 – or \$96 / month.

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Today's estimate of median tax bill impact based on Blanche Ames actuals and EASPSW bid cost (by full borrowing – FY28) – \$913 (-21%) - \$76 / month.

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This is not to say the tax burden of these projects is not significant – it is – and voters have been extremely thoughtful and generous to approve them.

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However, as PASE considers hard financial choices for operating expenses and revenues, including recommending an **operating override** which has not been approved since 2006, Easton's recent forecast v. actual performance on our **debt exclusions** is relevant.