

Variables Associated with Incurring Town Debt

During the October 2024 Town Council meeting, the following “variables” or parameters were selected based on information presented in the September and October 2024 Town Council meetings.

The proposed ordinance adds an additional public hearing, a town hall meeting, and a non-binding vote from those residents present after the Town Council has defined a project that would require incurring debt. These meetings would occur prior to voting on the contract or debt mechanism.

NOTE: Residents include registered voters, as well as property and business owners who are not registered to vote within the Town.

The ordinance would be “triggered” if the debt value exceeds 0.5% of the prior year’s property value, excluding the school and churches. The Town will use the “Land Book” provided by Lancaster County for the property value. (Based on our current estimates, the Town would be able to borrow approximately \$1 million without triggering the ordinance.)

Prior to a public hearing focused solely on the potential debt, the Town Council will provide residents with information on the project, including costs, debt vehicle, and debt repayments.

The public hearing is to allow residents to share their concerns or support and ask questions related to the financing of the project.

The town hall will occur within 10 business days of the public hearing. The Town Council will address questions raised during the public hearing. Additionally, residents and the Town Council will have the opportunity to have a dialog about the financing of the project.

At the conclusion of the town hall, a non-binding “vote” will be taken with all present residents indicating their support for or against the financing of the project. The Town Council will consider the public hearing and town hall comments as well as the vote when they vote on incurring the debt.

Council appreciates the input from Bob Westbrook, Steve Strait, Marsha Chapman, George Kuper, and the residents who signed and spoke about the idea of a public referendum. Their input helped to identify the key concerns and a basis for the variables.

The next step, should the Council continue to support this approach, is to have an ordinance drafted including these parameters. The ordinance will be adopted following standard practice – two readings and a public hearing prior to the vote.