



TOWN OF ARLINGTON
DEPARTMENT OF PLANNING and
COMMUNITY DEVELOPMENT

TOWN HALL, 730 MASSACHUSETTS AVENUE
ARLINGTON, MASSACHUSETTS 02476
TELEPHONE 781-316-3090

MEMORANDUM

To: HPIC
From: Erin Zwirko, Assistant Director, Planning and Community Development
Date: October 9, 2020
RE: Options for Borrowing Language

The HPIC requested options to consider when discussing borrowing. Please refer to the text of the bylaw in the 10/9/20 draft. Note that I did not adjust the threshold of 80% which is included in the current draft, but this percentage could move, and other elements could mix and match.

No Additional Approval or Threshold on Borrowing

Section 3.F.1.k:

~~With Town Meeting approval,~~ To borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral;

Section 4.D:

~~Any borrowing by the Trust shall require the prior approval of the Arlington Town Meeting, and may not exceed 80 percent of the Trust's total assets.~~ Any debt incurred by the Trust shall not constitute a pledge of the full faith and credit of the Town of Arlington, and all documents related to any debt shall contain a statement that the holder of any such debt shall have no recourse against the Town of Arlington, with an acknowledgement of said statement by the holder.

No Additional Approval but a Borrowing Limit

Section 3.F.1.k:

~~With Town Meeting approval,~~ As limited by Section 4.D., to borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral;

Section 4.D:

~~Any borrowing, or mortgaging and pledging Trust assets as collateral, by the Trust shall require the prior approval of the Arlington Town Meeting, and may not exceed 80 percent of the Trust's total assets.~~ Any debt incurred by the Trust shall not constitute a pledge of the full faith and credit of the Town of Arlington, and all documents related to any debt shall contain a statement that the holder of any such debt shall have no recourse against the Town of Arlington, with an acknowledgement of said statement by the holder.

Borrowing Limit and Additional Approval (Option 1 – as written with some adjustments for clarity)

Section 3.F.1.k:

~~With Town Meeting approval,~~ As limited by Section 4.D., to borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral;

Section 4.D:

Any borrowing, or mortgaging and pledging Trust assets as collateral, by the Trust shall require the prior approval of two-thirds vote of Annual Town Meeting or Special Town Meeting, and may not exceed 80 percent of the Trust's total assets. Any debt incurred by the Trust shall not constitute a pledge of the full faith and credit of the Town of Arlington, and all documents related to any debt shall contain a statement that the holder of any such debt shall have no recourse against the Town of Arlington, with an acknowledgement of said statement by the holder.

Borrowing Limit and Additional Approval (Option 2 – Select Board)

Section 3.F.1.k:

~~With Town Meeting approval~~, As limited by Section 4.D., to borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral;

Section 4.D:

Any borrowing, or mortgaging and pledging Trust assets as collateral, by the Trust shall require the prior approval of the ~~Annual Town Meeting~~ Select Board, and may not exceed 80 percent of the Trust's total assets. Any debt incurred by the Trust shall not constitute a pledge of the full faith and credit of the Town of Arlington, and all documents related to any debt shall contain a statement that the holder of any such debt shall have no recourse against the Town of Arlington, with an acknowledgement of said statement by the holder.

Borrowing Limit and Additional Approval (Option 3 – Mix Select Board and Town Meeting)

Section 3.F.1.k:

~~With Town Meeting approval~~, As limited by Section 4.D., to borrow money on such terms and conditions and from such sources as the Trustees deem advisable, to mortgage and pledge Trust assets as collateral;

Section 4.D:

Any borrowing, or mortgaging and pledging Trust assets as collateral, shall require the prior approval of the Select Board to commit up to 80 percent of the Trust's total assets. To exceed 80% of the trusts total assets shall require the prior approval of two-thirds vote of Annual Town Meeting or Special Town Meeting. ~~Any borrowing by the Trust shall require the prior approval of the Annual Town Meeting, and may not exceed 80 percent of the Trust's total assets.~~ Any debt incurred by the Trust shall not constitute a pledge of the full faith and credit of the Town of Arlington, and all documents related to any debt shall contain a statement that the holder of any such debt shall have no recourse against the Town of Arlington, with an acknowledgement of said statement by the holder.