



March 30, 2006

Ann Vandal
Town Accountant
Town Hall
62 Arlington St.
Dracut, MA 01826

Re: Reappropriation of Bond Proceeds from Debt-excluded Project
Our File No. 2006-52

Dear Ms. Vandal:

This is in reply to your letter asking several questions about the use of about \$400,000 in excess bond proceeds for a library construction project that was the subject of a Proposition 2½ debt exclusion. The town wishes to use the excess proceeds from the library borrowing for another debt-excluded project (a police station).

The transfer of the excess bond proceeds from the library project to the police station project requires a vote of town meeting under GL Ch.44 §20. After conferring with the director of accounts, we believe that in this instance, debt service attributable to the amount transferred to the police station project may be excluded under the debt exclusion vote for the library project, because of the amounts involved, and because both projects were funded with debt that was excluded from the town's levy limit.

We hope this information proves helpful.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathleen Colleary".

Kathleen Colleary, Chief
Bureau of Municipal Finance Law

KC/CH