

The Town of Dover and Minuteman Regional Vocational Technical School Special Town Meeting, May 2, 2016

First, some history:

The Minuteman Regional Vocational School District (the “district”) was formed in 1971 and Dover has been part of the district since 1973. There have been numerous attempts in recent years to revise the regional agreement. This past winter, all 16 member towns convened special town meetings to vote on the revised agreement and 7 member towns voted on whether or not to remain in the district.

Dover held its Special Town Meeting on February 22, 2016. A quorum (175 residents) was reached and with a voice vote Dover unanimously voted to accept the revised regional agreement and also voted, by a standing vote, to remain in the district, 124 to 56. Further, all 16 member towns voted unanimously to approve the revised regional agreement while 6 towns (Boxborough, Carlisle, Lincoln, Sudbury, Wayland and Weston) voted to leave the district.

Minuteman’s Current Building Status:

Minuteman’s existing school was built in 1975 for an enrollment of 1,000 students. In recent years, significant repairs have been made to the building that, according to Minuteman, total approximately \$7MM. However, many more repairs and updates are needed. Minuteman estimates that the total cost of renovations to the *existing* facility is approximately \$106MM.

After an extensive review of whether to repair, renovate or rebuild the existing facility, the Minuteman Regional School Committee and the Massachusetts School Building Association (MSBA) recommended to move forward with building a new school. Minuteman provided estimated cost for the new school design approximating \$144.9MM. In addition, the district has been notified by MSBA, that they qualify under the MSBA program and are eligible to be reimbursed for eligible project costs of up to 44.75%. Qualification for the reimbursement program is contingent upon a new school designed for a minimum enrollment of 628 students. Based upon these guidelines, Minuteman’s, *current* and *best* estimates of net cost are approximately \$101MM, but Minuteman cautions that this amount could decrease after the design is refined and construction begins. The cap on the project gross cost is \$144.9MM. Completion of construction of the new facility is expected by the fall of 2020.

Please note that none of the dollar amounts set forth in this document are endorsed by the Warrant Committee. Rather, they were provided by Minuteman based on the best information currently available and with the explicit caveat that the actual cost to Dover is dependent on the provisions of the Regional Agreement. Those provisions largely are dependent on the number of students that attend Minuteman from Dover and other

communities. But the cap on the Building project cannot go above \$144.9MM. In other words, these amounts are Minuteman's best estimates as of this writing and are almost certainly subject to change.

What Construction of a New Minuteman High School Will Cost Dover:

Under the capital assessment provision set forth in the revised agreement, each member town is assessed 1% of the total capital costs, plus its four-year rolling average enrollment share, with a one-student minimum, plus the combined effort capital assessment as determined by the Department of Elementary and Secondary Education ("DESE"). Since 2001, Dover has sent an average of two students per year to Minuteman, and the town currently has two enrolled students. Historically, Dover's enrollment has ranged from zero in academic year 2008 to four students in academic years 2004 and 2005. Based on information provided by Minuteman, if Dover's four-year rolling average enrollment is two students, the town's capital assessment would be approximately [\$110,000 or \$55,000 per student]. In the event, enrollment increases the cost per student goes down as the 1% capital assessment is spread over more students. If Dover's four-year rolling average enrollment is zero students, the town's capital assessment would be approximately \$43,000, because, in part, the enrollment share is subject to a one student minimum.

Again, the Warrant Committee does not endorse these capital cost estimates. Minuteman has provided these figures to the town based on its best estimates of currently available information. Each of the three factors of the capital assessment model prevent Minuteman from stating with certainty Dover's future capital assessment because they are all variable – the total cost of the new school, Dover's future enrollment share, and DESE's future combined effort capital assessment calculation are all subject to change.

It should be noted that under the revised agreement, and by a Department of Education Regulation for schools under a MSBA project, Minuteman has the ability to charge out-of-district towns for not only tuition, SPED & Transportation but also for a share of the capital expenses. In addition, a new building may well attract new towns to join the district, which could help to reduce future costs to the current ten member towns.

The May 2, 2016 Special Town Meeting — What This Is and What This Isn't:

Our vote is to accept or reject the bonding authority of the Minuteman School Committee in its endeavor to build a new school for the Minuteman Regional Vocational Technical School District.

The new agreement requires each of the original 16 towns to vote to approve the bonding for the proposed new Minuteman school building. The six towns leaving the District are not voting, and a non-vote is considered a vote in favor of the new building project. The remaining in-district ten towns will all vote at their spring 2016 town meetings, and, as of

this writing, three (Concord, Acton and Lexington) of the ten have already approved the borrowing request for the new building.

If all sixteen towns vote to approve the bonding for the new school building, Minuteman will have the requisite authority for the building project to proceed. Without authority to proceed with the new building project, Minuteman, may be forced to repair the existing building. These repair costs, estimated at \$106MM, would:

- not be subject to any MSBA reimbursement,
- require 100% of the costs be borne by the District,
- eliminate out-of-district students from paying \$8,400 per student capital fee, and
- be subject to unknown costs and an uncertain timeline versus a known and established not-to-exceed cost associated with the proposed new building.

The matter before the Town now is not a second opportunity to discuss vocational educational alternatives for Dover, nor is it an opportunity to re-vote the option to leave the Minuteman District. Rather, it is whether to accept or reject the bonding authority of the Minuteman School Committee in its endeavor to build a new school for the Minuteman Regional Vocational Technical School District.

The Warrant Committee believes that since we are in the Minuteman District, the best financial decision is to move forward with the new building project and to approve the bonding request.

Article 1 & Article 2

Article 1 and Article 2 are set forth in their entirety at the end of this document. There are two articles for the following reasons:

1. The only power accorded to the Town by statute with respect to the district borrowing is “to vote to disapprove.”
2. Article 1 was submitted to the Town and framed in terms of a vote “to approve,” which, based on the first point above, would be advisory only and in no way required by the district in order to borrow. In addition, a motion under Article 1 “to disapprove” the borrowing would fall outside the scope of Article 1 as framed.
3. Accordingly, Article 2 is framed as a vote to disapprove, consistent with the power accorded to the Town set forth in the first point above. Article 2, therefore equips the Special Town Meeting to take the only action allowed by statute.
4. For the sake of simplicity, it is likely that either Article 1 or Article 2 will be dismissed at Special Town Meeting.

A “yes” vote on Article 1 would approve, on an advisory basis only, funding the new Minuteman school building. A “no” vote probably indicates that Town Meeting might wish to consider actual disapproval under Article 2. The “no” vote under Article 1 does not do this.

A “yes” vote on Article 2 would represent the Town Meeting’s actual disapproval of funding the new Minuteman school building. A “no” vote would mean that the Town Meeting waives its right to disapprove.

Following the April 13, 2016 Open Hearing on Articles 1 and 2, the Warrant Committee unanimously voted to accept Article 1 (“yes”) and unanimously voted to reject Article 2 (“no”).

The Ballot Question

At the May 16, 2016 election, voters will have the chance to vote on the following ballot question:

Shall the Town of Dover be allowed to exempt from the provisions of proposition two and one-half, so-called, the amounts required to pay for the Town's apportioned share of the bonds to be issued by the Minuteman Regional Vocational Technical School District in order to pay costs of designing, constructing and originally equipping a new district school to be located at 758 Marrett Road, Lexington, Massachusetts, and for the payment of all other costs incidental and related thereto?

Yes ___ No ___

A “yes” vote would authorize the Town to fund the new Minuteman school building by a debt exclusion.

A “no” vote would not authorize the Town to fund the new Minuteman school building by a debt exclusion.

TEXT OF ARTICLE 1 AND ARTICLE 2

Article 1. (Minuteman Regional Vocational Technical School Committee)

To see if the Town will approve the \$144,922,478 borrowing authorized by the Minuteman Regional Vocational Technical School District (the "District") on March 15, 2016, for the purpose of paying costs of designing, constructing and originally equipping a new district school, to be located at 758 Marrett Road, Lexington, Massachusetts, and for the payment of all other costs incidental and related thereto (the "Project"), which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, and for which the District may be eligible for a school construction grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended at the direction of the School Building Committee. The MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any Project costs the District incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the District and its member municipalities. Any grant that the District may receive from the MSBA for the Project shall not exceed the lesser of (i) forty four and three quarters percent (44.75 %) of eligible, approved project costs, as determined by the MSBA, or (ii) the total maximum grant amount determined by the MSBA, and the amount of borrowing authorized shall be reduced by any grant amount set forth in the Project Funding Agreement that may be executed between the District and the MSBA. Any approval of this borrowing shall be contingent upon the approval, on or before March 1, 2016, of the 2016 Amended Regional Agreement for the District by the town meetings of all 16 member towns of the District.

Article 2. (Minuteman Regional Vocational Technical School Committee)

To see if the Town will disapprove the \$144,922,478 borrowing authorized by the Minuteman Regional Vocational Technical School District (the "District") on March 15, 2016, for the purpose of paying costs of designing, constructing and originally equipping a new district school, to be located at 758 Marrett Road, Lexington, Massachusetts, and for the payment of all other costs incidental and related thereto (the "Project"), which school facility shall have an anticipated useful life as an educational facility for the instruction of school children of at least 50 years, and for which the District may be eligible for a school construction grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended at the direction of the School Building Committee. The MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any Project costs the District incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the District and its member municipalities. Any grant that the District may receive from the MSBA for the Project shall not exceed the lesser of (i)

forty four and three quarters percent (44.75 %) of eligible, approved project costs, as determined by the MSBA, or (ii) the total maximum grant amount determined by the MSBA, and the amount of borrowing authorized shall be reduced by any grant amount set forth in the Project Funding Agreement that may be executed between the District and the MSBA. Any approval of this borrowing shall be contingent upon the approval, on or before March 1, 2016, of the 2016 Amended Regional Agreement for the District by the town meetings of all 16 member towns of the District.