

Accelerated Repair Project (ARP) Frequently Asked Questions

1. Why do all of the towns need to approve and pay for all of the building projects?

Answer:

Per the regional agreement, capital costs are apportioned per student enrollment. Due to district-wide specialized programs developed to service our students, there are students from all towns in all schools. Approval for the project (town meeting vote) and funding (ballot vote if debt exclusion is chosen) must be approved by all towns that will be assessed a portion of the project. Therefore, all three towns must approve the projects at town meeting and the ballot for funding.

Detailed answer:

1. The NMRSD Regional Agreement dictates how the District pays for capital costs. The agreements states,

“Capital costs, including debt service on bonds or notes issued by the District to finance capital costs, in connection with any particular district school shall be apportioned on the basis of each member town’s pupil enrollment in such school. Each member town’s share shall be determined by computing the ratio which its pupil enrollment in such school on October 1 of the year next preceding the year for which the apportionment is made bears to the total pupil enrollment from all the member towns in such school on that date. If there is no enrollment in such school on the aforesaid October 1, the apportionment of debt service with respect thereto shall be made on the basis of the estimated pupil enrollment from each member town in such school on the aforesaid date had there been any enrollment, such estimate to be made by the committee. Provided however that a Member Town, or Member Towns, as the case may be, having no pupils enrolled or estimated to be enrolled in such school shall share no part of such capital costs.”

This language specifies that any capital costs shall be apportioned per the number of students from each town that attend said school. Historically, the town elementary schools were only attended by students from that town. Due to the current needs of the students, the school system has established specialized programs that are housed throughout the district. Therefore, there can be students from every town attending every school in the district. The apportionment of the three projects reflects this enrollment.

2. Additionally, the Regional Agreement dictates that a majority vote is taken in each member town for the District to incur debt. The agreement states,
“The Committee may vote to incur debt in either of the following ways provided the said vote so specifies, namely:
 - A. *In voting to authorize the incurring of debt, other than temporary debt in anticipation of revenue to be received from member towns, the Committee shall, not later than seven (7) days after the date of said vote, give written notice of the amount of the debt, the general purposes for which it was authorized, and the*

date of authorization to the Board of Selectmen of each of the member towns for action in accordance with Chapter 71, Section 16 (d) of the General Laws.

- B. In voting to authorize the incurring of debt, other than temporary debt in anticipation of revenue to be received from the member towns, the Committee shall call for approval of said authorization by a majority of the registered voters in the member towns voting on the question at an election called and held in each member town pursuant to the provisions of Chapter 71, Section 16 (n) of the General Laws.”*

Each town typically receives approval for the borrowing article at town meeting. In the case of a debt exclusion, the final approval for the funding is a ballot vote.

2. Why did the District not plan for and save for these repairs?

Answer:

The District currently does not have a mechanism to save for major projects. There is a cap on the amount of the towns' money that we can hold onto which is less than these projects cost.

Detailed answer:

The Regional Agreement outlines how operational and capital costs are assessed to each member town. The District is not given the authority to keep the town's money in a separate capital fund. The District cannot take on any debt without the member town's approval.

Massachusetts General Law does grant the District the power to utilize an excess and deficiency fund but limits the amount to 5% or less of the operating budget. This amounts to just over 2 million dollars which would not be enough for large and costly capital projects in the district.

There is another savings mechanism that allows the District to establish a Stabilization Fund. The District would be able to assess the towns through the operational budget to set aside capital funding during the budget process. The establishment of a Stabilization Fund requires unanimous permission from the three member towns. The Regional Agreement may need to be modified to address the allocation of such funds.

The School Committee has formed a Regional Agreement Subcommittee to look at the agreement and recommend any changes that may be needed to reflect the way in which education programs and enrollment affect the assessment to the towns. The Regional Agreement has not been amended since 1998 (amended school committee representation) and before that 1970.

3. Why does Squannacook Early Childhood Center need to be repaired?

1. SECC is a district-owned building that will house the district preschool, in-district special education programs including LEAP and the substantially separate STEPS program, and central office.
2. Peter Fitzpatrick School (which is leased from the town of Pepperell) is scheduled to be closed in July 2018. This building currently houses the LEAP and Gateway programs and central office staff.
3. A portion of the building will be leased to the FLLAC Collaborative (Special Education Collaborative). These funds will help offset district expenses. The district utilizes these programs when appropriate for our students.

In order to implement the above changes, SECC needs the recommended repairs including roof replacement, siding repairs, interior water damage repairs, sprinklers, code upgrades, and HVAC.

4. What does “Potential Annual Impact” really mean?

The potential annual impact represents the maximum property tax cost per \$100,000 of property valuation. The accelerated repair projects were voted as a 2.5 debt exclusion which means this is a temporary tax increase until the project debt is paid off. The amount of the impact is based on the annual projected debt service (principal and interest) of the approved project cost (total cost less MSBA reimbursement). The impact of the borrowing was based on estimated interest rates and projected project costs. The amount may be lower if the project comes in under budget.

Estimated cost Per \$100,000 property value

	HBMS	SECC	VBES	Total all three projects
Ashby	\$ 13.37	\$ 3.85	\$ 1.15	\$ 18.37
Townsend	\$ 14.73	\$ 8.25	\$ 0.88	\$ 23.86
Pepperell	\$ 0.12	\$ 6.57	\$ 23.33	\$ 30.02

5. What does the ballot question say? How should I answer?

Answer:

Vote YES to approve the project funding (debt exclusion)

Vote NO to vote against the project funding

Detailed answer:

Ballot question: “Shall the Town of _____ be allowed to exempt from the provisions of proposition two and one-half, so-called, the amount required to pay the Town’s allocable share of the bond issued by the North Middlesex Regional School District for the purpose of paying costs of _____ (repairs)_____ at _____ (school name) _____, including the payment of all costs incidental or related thereto? “ Yes ____ No_____

This ballot question is to approve the funding for the Accelerated Repair Project through a debt exclusion. A debt exclusion is an increase in taxes over the allowed prop 2 ½ limit for the life of the debt. The project amount was approved at town meeting.

6. Why approve the projects now?

Answer:

The District has a need for all three projects, and the MSBA is providing 57.11% reimbursement for the eligible costs of the projects if done now.

Detailed answer:

The MSBA has different programs that school districts can apply for funding for various reasons. The Accelerated Repair Project program is for repairs such as roofs, windows and doors, and boilers. The process is to submit a Statement of Interest (SOI) for any potential projects seeking MSBA financial help. Annually, the MSBA reviews all SOI’s submitted and chooses which projects to fund. The district is extremely fortunate to have been chosen in the first year of submitting the SOI’s and even more fortunate that the MSBA chose to fund all three projects in this district at one time which rarely happens. The grant funding money is guaranteed if we approve the projects now. If the communities reject the funding, the district does not know when the projects may get chosen for funding again. The district submitted a SOI for the high school project for more than six years before being approved. The repairs for all the buildings are real and immediate.