

THIS AGREEMENT made this 30th day of November, 1970 by and between the BOARD OF EDUCATION OF REGIONAL SCHOOL DISTRICT NO. 14, hereinafter called the Board, and the TOWN OF WOODBURY, hereinafter referred to as Woodbury, and the TOWN OF BETHLEHEM, hereinafter referred to as Bethlehem,

WITNESSETH:

WHEREAS, in 1968 Regional School District No. 14 embracing all grades of the public schools and the programs of public education authorized by the statutes was created by vote of the Towns of Bethlehem and Woodbury as provided by statute, and subsequently in 1968 Regional School District No. 14 purchased from the Town of Bethlehem all of the school buildings, contents and equipment, together with land, for a total of \$856,600.00, and also purchased from the Town of Woodbury all of its school buildings, contents and equipment, and land, for a total sum of \$2,499,950.00 as more fully appears of record; and

WHEREAS, the 1969 Session of the General Assembly amended Section 10-282 of the General Statutes to define the term "school building project" as including the purchasing of a building to be used for public school purposes and the construction, equipping and furnishing of the same; and

WHEREAS, the State Board of Education, on May 6, 1970, has adopted a statement of policy that when the creation of a Regional School District includes the assuming of obligations of the former school districts as a "purchase" as defined in Section 10-282, the State Board of Education will authorize state grants for such unpaid balances of obligations to the extent of 80% of each annual payment remaining, as provided in Section

10-286 (f); and

WHEREAS, on August 31, 1970, Bethlehem and Woodbury each owed school bonds and indebtedness as more fully shown in a schedule hereto affixed, to which each of said towns are entitled to state grants as shown on said schedule.

NOW THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The Board does hereby assume and agree to pay all school bonds and other school indebtedness of Bethlehem and Woodbury effective as of August 31, 1970 as shown on the schedule affixed hereto, and said Board agrees to save each of said towns harmless in respect to the same. The Board does further agree to reimburse each of said towns for any payments made by either of them in regard to said bonds or indebtedness on and after August 31, 1970, together with interest paid and incurred by either of said towns after said date.

2. Bethlehem does hereby assign and transfer to the Regional School District No. 14 all right which it may have to receive any future state grants in respect to the bonds or indebtedness shown on the affixed schedule, and in the event that it subsequently receives any such grants it will promptly pay the same to said District.

3. Woodbury does hereby assign and transfer to the Regional School District No. 14 all right which it may have to receive any future state grants in respect to the bonds or indebtedness shown on the affixed schedule, and in the event that it subsequently receives any such grants it will promptly pay the same to said District.

4. The Board will promptly file an application for state grants

as provided in the General Statutes as Amended and in accordance with the statement of policy approved by the State Board of Education referred to above. In the event that said application is not approved, then this agreement shall be null and void and any payments made by the Board to Bethlehem, or any payment made on account of its school bonds or indebtedness shall be promptly repaid by Bethlehem to said Board; and likewise any payments made by the Board to Woodbury, or any payment made on account of its school bonds or indebtedness shall be promptly repaid by Woodbury to said Board.

5. In the event that the application for additional school grants by the Board is approved, then it is agreed that both Woodbury's and Bethlehem's respective shares of the total indebtedness assumed by the Board under this agreement shall be based on the average daily membership at the time payments in respect to said bonded indebtedness become due and payable by the District.

The parties hereto further agree that in order to equalize the share of the indebtedness assumed by the District, Woodbury will be obligated to pay to the District a certain sum which will be arrived at in accordance with the following formula and said sum shall be paid by it in nine (9) equal installments commencing July 1, 1971 and continuing on the first day of each July thereafter until said sum has been fully paid. As said equalization payments are received by the Board from the Town of Woodbury, the Board will promptly pay the same to the Town of Bethlehem in order to complete the equalization. No interest shall be due from Woodbury or paid to Bethlehem in respect to the same.

The following formula shall be used in determining the total sum that

will be paid by Woodbury and received by Bethlehem in order to equalize their respective shares of the indebtedness assumed by the District:

(a) From the total indebtedness assumed by the District from Bethlehem and Woodbury, plus interest to be paid thereon, there will be deducted the total amount of grants which the District will be entitled to receive.

(b) Bethlehem's share of the balance shall be 25.7995% and Woodbury's share of the balance shall be 74.2005% for the purposes of determining the equalization payment, as this is each town's respective share based on the average daily membership as of June 30, 1970.

(c) If the indebtedness is not assumed by the District, Bethlehem shall be entitled to receive in State grants an amount which exceeds the balance of its bonded debt by \$6,589.81 which Bethlehem will lose if the District assumes the indebtedness and receives all future State grants in respect thereto. In addition, Bethlehem will have to pay its share of the total indebtedness assumed by the District. This means that if the District assumes the indebtedness, Bethlehem will lose \$6,589.81 plus its net share of the debt assumed.

(d) If the District does not assume the indebtedness, Woodbury will owe a net of \$208,122.11 on its outstanding school notes and bonds. The difference between that amount and its share of the net indebtedness assumed by the District will result in a dollar advantage to Woodbury.

(e) If the dollar disadvantage resulting to Bethlehem is subtracted from the dollar advantage resulting to Woodbury, there will remain a net dollar advantage which will result from the assumption of the indebtedness by the District and that net advantage should be shared propor-

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S.E.
mch*

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mch*

*S.D.
S.E.
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tionately between Woodbury and Bethlehem so that Woodbury receives 74.2005% of said net advantage and Bethlehem receives 25.7995% of said net advantage.

(f) This will, therefore, mean that Woodbury should pay and Bethlehem should receive an amount equal to the sum of the dollar disadvantage resulting to Bethlehem plus Bethlehem's share of the net dollar advantage. There is affixed hereto a schedule based upon the indebtedness assumed by the District as of August 31, 1970 and anticipated grants to be received by the District in respect thereon.

IN WITNESS WHEREOF the Town of Bethlehem and the Town of Woodbury have caused this agreement to be executed by its respective Selectmen, and the Board has caused the same to be executed by its Chairman duly authorized as of the day and year first above written.

REGIONAL SCHOOL DISTRICT NO. 14
BOARD OF EDUCATION

By Mary Ann Allen
Chairman

TOWN OF BETHLEHEM

By Samuel J. Swenden
First Selectman

TOWN OF WOODBURY

By Frank E. Hogan Jr.
First Selectman

ILLUSTRATION OF APPLICATION OF THE EQUALIZATION FORMULA
ON INDEBTEDNESS ASSUMED BY DISTRICT NO. 14 FROM THE TOWN OF
BETHLEHEM and THE TOWN OF WOODBURY

(a)	Total indebtedness assumed by the District (\$467,959.46), plus interest payments on same (\$55,165.29) to be made by the District	\$523,124.75
	Less State grants to be received by the District	<u>\$495,533.01</u>
	Net cost to District	\$ 27,591.74
(b)	Woodbury's share (74.2005%)	\$ 20,473.21
	Bethlehem's share (25.7995%)	<u>\$ 7,118.53</u>
	Total	\$ 27,591.74
(c)	If District does not assume bonds, Bethlehem will have net grants due it from the State of	\$ 6,672.31
	Bethlehem's share of debt if District assumes debt	<u>\$ 7,118.53</u>
	Total disadvantage to Bethlehem if District assumes bonds	\$ 13,790.84
(d)	If District does not assume bonds, Woodbury's net cost on its bonded debt is	\$ 220,089.85
	Woodbury's share of net debt if District assumes bonds	<u>\$ 20,473.21</u>
	Advantage to Woodbury if District assumes bonds	\$ 199,616.64
(e)	Advantage to Woodbury	\$ 199,616.64
	Disadvantage to Bethlehem	<u>\$ 13,790.84</u>
	Net advantage	\$ 185,825.80
	Woodbury's share of net advantage (74.2005%)	\$ 137,883.69
	Bethlehem's share of net advantage (25.7995%)	\$ 47,942.17
(f)	Bethlehem's dollar disadvantage	\$ 13,790.84
	Bethlehem's share of net advantage	<u>\$ 47,942.11</u>
	Total equalization payment to be made by Woodbury and received by Bethlehem	\$61,732.95

SCHEDULE OF INDEBTEDNESS ASSUMED BY REGIONAL SCHOOL DISTRICT NO. 14
FROM THE TOWN OF BETHLEHEM AND THE TOWN OF WOODBURY
TOGETHER WITH THE COMPUTATION OF THE AMOUNTS DUE
FROM WOODBURY TO THE REGION AND FROM THE REGION TO BETHLEHEM TO
EFFECT THE NECESSARY EQUALIZATION

Assumed from Bethlehem:

1) Bond Issue 1950- P/A \$200,000.			
Prin. due 9-1-70	\$10,000.00		
Interest	<u>None</u>		\$10,000.00
2) Bond Issue 1958- P/A \$229,000.			
Prin. Assumed (total)	49,000.		
Interest 5-1-70			
to 9-1-70	<u>490.</u>		
(4 months)			
		<u>49,490.00</u>	
			\$59,490.00
		TOTAL	

Credits due Bethlehem:

1) Bond issue 1950- P/A \$200,000.			
Amt. paid by Town \$190,000.			
% paid by Town - 95%			
State aid - Town Grant -	\$75,396.85		
95% of Town Grant		\$71,627.00	
Am't rec'd by Town to 9-1-70		<u>60,317.47</u>	
Credit due Town on payments made			\$11,309.53
2) Bond Issue 1958- P/A \$229,000.			
Amt paid by Town - \$180,000			
% paid by Town - 78.6%			
State aid - Town Grant	\$106,222.47		
78.6% of Town Grant		\$83,490.86	
Amt. rec'd by Town to 9-1-70		<u>52,449.54</u>	
Credit due Town on payments made			\$31,041.32
		TOTAL	\$42,350.85
Amt. assumed by Region from Bethlehem			<u>\$17,139.15</u>

Assumed from Woodbury:

1) Bond Issue 1953- P/A \$390,000.

Prin. assumed	\$ 70,000.00	
Int. 6-1-70 to 9-1-70 (3 months)	<u>472.50</u>	\$70,472.50

2) Bond Issue 1960- P/A \$737,000.

Prin. assumed	\$337,000.00	
Int. 8-1-70 to 9-1-70 (1 month)	<u>996.96</u>	\$337,996.96

TOTAL

\$408,469.46

Credits due Woodbury

1) School Notes 1956- P/A \$60,000.

Amt. paid by Town - \$60,000.		
% paid by Town - 100%		
State aid - Town Grant \$37,871.		
100% of Town Grant	\$ 37,871.00	
Amt. rec'd by Town to 9-1-70	<u>24,616.15</u>	
Credit due Town on payments made		\$ 13,254.85

2) Bond Issue 1953- P/A \$390,000

Amt. paid by Town - \$320,000.		
% paid by Town - 82.05%		
State aid - Town Grant \$150,763.90		
82.05% of Town Grant	\$123,701.78	
Amt. rec'd by Town to 9-1-70	<u>102,647.75</u>	
Credit due Town on payments made		\$ 21,054.03

3) 1960 Bond Issue- P/A \$737,000.

Amt. paid by Town - \$400,000		
% paid by Town - 54.27%		
State aid - Town Grant \$358,306.27		
54.27% of Town Grant	\$194,452.81	
Amt. rec'd by Town to 9-1-70	<u>178,821.37</u>	
Credit due Town on Payments made		\$ 15,631.44

\$49,940.32

Total amt. assumed by Region from Woodbury

\$ 358,529.14

RECEIVED FOR RECORD P.

Jan. 7 1971 at 2:40 P.M.
 ATTEST: *Oliver B. Sabot*
 TOWN CLERK