

Approve 12-15-16

Regional Agreement Working Group Meeting 10/6/16 District Administration Office, 5 School Street Wenham
Convene at 6:08pm

Stacey Metternick, Deb Evans, Hannah Fraley, Mike Gilbert (President MASC guest)

Review meeting minutes from 9/21/16- unanimous vote to approve minutes (motion by Deb, second by Stacey)

Stacey- update: contacted Wenham to look at other forms of data to look at apportionment (households?). Both towns - concern that data is not clean. Best reliable source of data is student enrollment

Stacey sent us copy of guidance from DESE Regional districts and assessment methodologies - we do our formula an alternative way.

Mike Gilbert says we need to vote the new method in DESE

*Statutory is to use the foundation budget, split is based yearly on the prior October 1st numbers

Mike looked at our data & population numbers- DESE has spreadsheet looking at 10 year up thru 2009 enrollment data, he checked differences, ours went down 3% in that 10 year period. Then he took current number from dESE site and we are down 12% since 2009- key issue because we are losing population creating tension in the budget.

Deb Evans- we are having radical shifts, consistent with DESE data-

Mike Gilbert clarified- if we use statutory method at least for 1 year, there will be a good size hit on Wenham about \$200 K roughly

Deb expressed- this has been an issue for a long time, struggle with getting buy in from both towns and agreement

-smaller member town is Wenham and has a tighter budget as a whole, the shift is large impact.

Our aim is to provide high quality education, and try to find some way to smooth numbers between towns

Mike- demographics between 2 communities not that different, Wenham just smaller than Hamilton

Stacey- Hamilton looking at the affordable housing option, project currently looking at 5 years out, potentially 75-100 school aged kids, shift will go back to Hamilton = but Stacy reiterated this is still hypothetical, no hard plans. Pointing out swing can go to Hamilton even though Wenham is experiencing it now.

Brought up the 6-year suggestion brought up from last year's efforts. Clarified we would like to implement this new RA 1-year after town meeting 2019. Go through one more budget cycle with current formula, then take 18-19 budget to towns with goal of having new apportionment formula. Key buy in piece is to emphasize that this is a community problem, not 1 town over the other. Hamilton would like more revisions to RA, but what we are looking at only now is apportionment. Legal is looking at cleaning up other areas.

Mike- question for legal: way in which our members are elected, what is in RA does not comply with statute. The statute allows for 5 different options for election, and written into the regulations.

Stacey- Rick Manly and Perry Davis- the way we vote in our members is one of the ways we can do it because we have H and W on both ballots.

Mike= the issue is we are doing elections in April which is not in compliance with the statute. Requires if electing members district wide with or without residency requirement, the elections must occur in the biennial state elections. Other districts are doing it like us in local election (ex. Triton). Mike would like us to ask our legal to discuss with legal at DESE. DESE has to get changes first. DESE will see whole agreement when reviewing any changes to agreement, we should fix this issue before sending to DESE.

Stacey- did talk with Naomi about this- Naomi is starting to look at this. She is pulling all RA's to review and compare.

Mike- if we end up with 9 people from 1 town, how does this set with the 2 communities?

Deb clarifies- vote at town meeting was to amend from 9 members to 7 members

Other problem - in copy of the 1996 RA, nothing in there at all about staggered terms for members- normally language should say that members elected staggered- nothing delineated, just says 3 year terms. Reviewed updated- committee will consist of 9 members- doesn't reflect the voted amendment decreasing to 7 members.

Stacey points out in K page 7 of RA- amendment is there with reduction to 7 members with staggered terms- every 3rd year, 3 members elected, every 2 years, 2 members elected.

Mike- brought like- RA's to review. Example- Concord/Carlisle, Groton-Dunstable, Lincoln-Sudbury, Manchester-Essex, Northboro-Southboro-

Manchester-Essex- 2000 most newly created RA, never contained the old language in older RA's - apportionment & election process updated

- Apportionment in ME is similar to ours. Definition of costs similar. Capital costs- apportioned 50% on basis of equalized valuation of member towns. 50% basis on population of respective towns as bears to total of all member towns on 10/1 of year in which apportionment determined. Also look at property value- for example property value in Essex- property value higher than Manchester. Looked at income as the equalizer- this is the State's tax law- get info from the dept of revenue. Makes sense from capital perspective because spreading among all households in community.
- Special Operating costs- almost same as ours. i.e. adult ed programs. Based on apportionment on 2 communities and enrollment annually.
- Regular Operating (noninstructional/instructional) costs- enrollment prior 10/1
- Non instructional costs- 50% equalized value and population of both towns

- Instructional- 50% equalized valuation and 50% respective pupil enrollments 10/1 prior year.

Stacey- reviewed other RA's - most doing year by year. If not year-by year, highest suggestion is to not go above 5 years. Mike says when you are outside 5 year window, lose track of kids.

Mike- get buy in by looking at historical data, enrollment numbers and evaluate trend. If there is a necessity for smoothing, then we need to look at what is the best rolling average to keep it smooth- if have spikes- we can evaluate spikes in population differences in 2 communities. District is losing students overall, Mike says if split between 2 communities is smooth, no reason to take average- looking at DESE data, this is the case.

Deb- question: looking at 14-15 shift to Wenham, large increase to Wenham. Mike clarifies- it is not the 29 Million, it is Denham's apportionment 1/3 of the 29 million.

Mike: in a lot of 2 town regions, can balance some of the difference with the Ch 70 money. We can look at data from spreadsheet that state has to determine this. Look at percentages of per pupil expenditure in towns.

If use state methodology, FY17 foundation budget- Wenham is paying less than it should under state's formula.

Would have to be an increase from Wenham to \$135K

Foundation budget amount then add rest of operating budget- Wenham significantly smaller in terms of the district.

Stacey - RA attorney can help us to put together this RA - we need a scenario analysis. We need approval from SC to do this.

Mike- in order to have final numbers, the way foundation budget works- looks at 2 years prior because numbers must be final (abatements must be finalized).

deb- we can ask Roger Kuebel to help with scenarios.

Deb- any other RA's to look at?

Mike: Northboro/Southboro- 2001 drafted. 1994 changed operating costs to straight enrollment to annual prior year 10/1 enrollment.

Apportionment of capital costs done on strict percentage bases, does not include (50%/42%) without fluctuation.

Stacey mentioned MASCO

MASCO- 3 member agreement. Deb asked for metrics- classification costs, capital costs, operating costs- apportionment respective pupil enrollments. Capital costs uses also pupil enrollment 1 year 10/1 enrollment prior.

Adjourn 7pm.

Deb move, hannah second, all in favor.

