

April 1, 2019

1) Under section 2 D the agreement speaks to the filling of vacancies. I see no need for this article because there already exists Massachusetts General Law that establishes how municipalities are to fill vacancies. So, either your agreement proposal is intended to change that procedure, or your group was unaware of the existing law.

The only change to this section is defining a 'vacancy' as a person resigning, moving out of town or dying. The selectboard and remaining school committee members from that town have been the way to fill vacancies since the inception of the district and this seems to have worked effectively for over 50 years so there was no desire to see this changed. According to the MARS consultants, this is standard practice in many regional schools throughout the state.

2) Under section 11, I cannot support the proposal without knowing the potential financial liability that would place on the town of Montgomery. Would you provide the total OPEB liability Gateway has identified and what Montgomery's portion would be if we were to leave the district should this section be in effect the following year?

While one can 'estimate' the OPEB liability by taking a percentage of the total (say by using the five-year average student enrollment), the district would have to fund an actuarial study to determine the exact amounts. So if we take the current estimate of \$16 to \$20 million for OPEB and multiply that by the average student enrollment over five years, that would provide a ballpark figure. Everyone must recognize, as the DESE did, that they made a mistake in allowing Worthington to withdraw without an agreement on OPEB funding and that as other towns look to leave other districts, DESE has made clear that the OPEB debt must be settled before they'll permit the change, i.e., whether this is in the agreement or not, this will not change the fact that OPEB will be calculated in withdrawal agreements that would need to be approved by DESE.

3) Under section 4 I disagree with the language that would limit a community from negotiating any financial considerations when developing a new lease agreement. Could you explain why your group would want to limit a community's right to negotiate with the district?

You'll recall that the prior leases were written with the towns for \$1.00 per year and the lease agreement addressed issues with the costs of operating and maintaining those buildings. The new language eliminates the \$1.00 annual lease payment but maintains the ability to negotiate all other terms and conditions to ensure that no one town would be stuck with maintenance or operating costs for the district using that building. This still leaves the town with the choice of whether to lease or not and to negotiate all related expenses. This is language that is in all the revised agreements that the MARS consultants have worked on.

4) Under section 6 (3) I strongly disagree with removing the local community's option to approve either the statutory or alternative formula for determining assessments. It was told to the voters of Montgomery last year that they would have the voting process to select either formula for the next 5 years. This language would remove that should it pass. I can agree to language that would provide for the school committee to vote to recommend one formula or the other, but the decision must stay with the voters in my opinion.

The language does not change the fact that each town must vote to approve the alternative assessment method each year that the school committee opts to move that assessment method forward. Thus, the district needs all six towns to agree to both the assessment amount and the alternative assessment methodology whereas under the statutory method one only needs 4 towns to approve the assessment amounts (as per state law) and doesn't require a unanimous vote by all six towns to approve the statutory assessment method.

5) Under section 5 B in the third paragraph. The current language does not provide for a vote of the community to not fund the request for addition funding. Your agreement says a community can "express disapproval" I don't believe that is the same as a community voting to "reject" the request. Therefore, I would need to review a legal opinion that states the town does not forfeit its right to reject a funding request, did your group have this discussion and if so, did it seek a legal opinion?

This may be an issue of semantics as Chapter 71, Section 16B states that ". . . that any municipality's apportioned share may not be increased in the same fiscal year without approval of the local appropriating authority." Thus if a town were to have a town meeting to 'express disapproval' of the increased assessment this is a rejection of the increase in the assessment. If less than 2/3rds of the member towns approve the increased assessment, it wouldn't pass.