



TOWN OF WORTHINGTON

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BOARD OF SELECTMEN

February 20, 2013

Ms. Beth Brett, Chair, School Committee
Dr. David Hopson, Superintendent
Gateway Regional School District
12 Littleville Road
Huntington, MA 01050

Dear Ms. *Beth* Brett and Dr. *Dave* Hopson,

This letter provides the District and School Committee with Worthington's perspective on the existing GRSD regional agreement as well as our stance on how the withdrawal article should be constructed. Hopefully, this information will help inform the Committee discussion which we understand will be taking place at a special meeting scheduled for Wednesday, February 27th. We are planning on attending that meeting along with legal counsel.

As you know, the existing regional agreement specifies both the manner and liabilities attached thereto of withdrawing from the District. In specific, the agreement requires that the District will craft an (emphasis mine) amendment and defines both what indebtedness means and a manner for calculating that indebtedness. To date, based both on the draft amendments we have seen and the ideas we understand have been otherwise discussed, the discussion and proposed amendments are not consistent with the existing agreement. Also, the multiple additional changes being discussed, including another attempt at resolving the one-person/one-vote issue, raise the issue of severability.

It is the position of the Town that the amendment specifying the terms and conditions of Worthington's withdrawal must be severed from any other proposed changes. Thus, any issues regarding unfunded pension liabilities, MSBA payback obligations, or other changes the Committee might envision as being necessary should be forwarded to the towns for action separate from the withdrawal amendment. We believe we have strong legal arguments supporting this position. Therefore, to avoid any possible misunderstanding, please realize that any failure on the part of the Committee and the District to sever the withdrawal amendment from other proposed changes will necessitate the Town pursuing legal action against the District and the Committee.

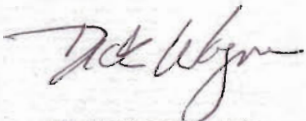
Secondly, the current language within the agreement is very specific with regard to determining liabilities upon withdrawal. Section IX(A) specifically mentions "its share of indebtedness" and Section IX(D) specifies "for payment of funded indebtedness." Neither retirement liabilities nor the MSBA

payback obligations meet the definition of indebtedness. Indeed, the District financials specifically avoid defining the MSBA payback obligations as debt and the District's closure of the Conwell School without vote of the towns was predicated on the same. Any attempt to alter the agreement to include such liabilities as part of any future withdrawal requests must therefore be separated from Worthington's withdrawal request which is made under the existing regional agreement language. We will therefore consider efforts to require additional compensation from Worthington as part of withdrawing both to be in bad faith and to be inconsistent with the District's obligation under the existing agreement. We note that, despite the apparent interest of the Committee in requesting that Worthington fund what the District vaguely defines as its unfunded pension liability, the Committee has taken no past or present budgetary action to otherwise reduce this liability.

Finally, Section IX(E) specifies that debt "shall be fixed at the percentage prevailing for such town at the annual apportionment made next prior to the effective date of the withdrawal." Again, this language is very specific and does not allow the District the option of redefining that apportionment under the existing language. We further suggest that the District's best interests lie in allowing the Town to continue to compensate the District for our share of indebtedness under the existing schedule relative to its retirement.

Please let me know if you have questions or require additional information. We will, of course, be happy to answer questions and otherwise discuss these matters on the 27th. It remains our desire to pursue a withdrawal process that is consistent with the existing agreement, explainable to the residents of our seven towns, and that will produce a clean up or down vote on the withdrawal request. We strongly believe that this is necessary for moving both Worthington and the District forward regardless of the outcome,

Sincerely,



Dr. Richard A. Wagner
Chair, Worthington Selectboard

Cc: Gordon Quinn and Layla Taylor -- Sullivan, Hayes, and Quinn Attorneys at Law