

DUDLEY-CHARLTON REGIONAL SCHOOL DISTRICT

Special Meeting of the Dudley-Charlton Regional School Committee
Wednesday, May 3, 2023, at 6:45 PM
Shepherd Hill Regional High School
68 Dudley-Oxford Road
Dudley, MA 01571

Minutes

I. Call Meeting to Order

The meeting was called to order at 7:00 PM by Chair Cathy Carmignani.

School Committee Members in Attendance:

Cathy Carmignani	Caitlynn Panczyk	Kelly Szela
Jamie Terry	Jeanne Costello	Pauline Aucoin
Jaime Dell'Ovo		

II. Pledge of Allegiance

III. Moment of Silence

The School Committee took a moment of silence to remember Carol Canty, a former SHRHS teacher who recently passed away.

IV. Communications

There are no communications to share this evening.

V. Public Comment

Beth Peritus – Charlton

With permission from her daughter, Mrs. Paradis speaks on the importance of school programs on students' mental health. The support and sense of community and accomplishment students receive from the various groups and activities is unlike anything they receive outside of school. She fully believes that if the District were to cut the arts and sports, as well as many essential positions, it will adversely affect students' mental health.

VI. New Business

- A. Discussion and Recommendation to the Town of Dudley to include Fiscal Year 2024 Operational Override and Shepherd Hill RHS Feasibility Study Assessment

A motion by J. Costello, seconded by K. Szela to request a Fiscal Year 2024 Operational Override value of \$994,283 from the Town of Dudley was approved unanimously.

P. Aucoin – Yes
C. Carmignani – Yes
J. Costello – Yes
J. Dell'Ovo – Yes
C. Panczyk – Yes
K. Szela – Yes
J. Terry – Yes

A motion by C. Panczyk, seconded by P. Aucoin to recommend to the Town of Dudley a separation of DCRSD Capital requests from an Operational request moving forward was approved unanimously.

P. Aucoin – Yes
C. Carmignani – Yes
J. Costello – Yes
J. Dell'Ovo – Yes
C. Panczyk – Yes
K. Szela – Yes
J. Terry – Yes

A motion by C. Panczyk, seconded by J. Terry to recommend the Town of Dudley separate a Capital Request for the SHRHS MSBA Feasibility valued at \$463,000 was approved unanimously.

P. Aucoin – Yes
C. Carmignani – Yes
J. Costello – Yes
J. Dell'Ovo – Yes
C. Panczyk – Yes
K. Szela – Yes
J. Terry – Yes

A motion by C. Panczyk, seconded by J. Terry to recommend to the town of Dudley to delay action on a request to fund the Capital request voted on September 22, 2023, until Fiscal Year 2025 was approved unanimously.

P. Aucoin – Yes
C. Carmignani – Yes
J. Costello – Yes
J. Dell'Ovo – Yes
C. Panczyk – Yes
K. Szela – Yes
J. Terry – Yes

A motion by J. Terry, seconded by J. Costello to recommend to the Town of Dudley the separation of the DCRSD Operational Override and the Town of Dudley Operational Override for the Town of Dudley voters failed.

P. Aucoin – No
C. Carmignani – No
J. Costello – Yes
J. Dell'Ovo – Abstained
C. Panczyk – No
K. Szela – Yes
J. Terry – Yes

- B. Mr. David Eisenthal – Financial Advisor UniBank – *DCRSD Bonds for proposed Capital Projects*
Mr. Eisenthal was unable to attend tonight's meeting, but a memo was shared on his behalf.

On September 6, 2022 the District held a special election in the towns of Dudley and Charlton for the authority to incur debt to address the two middle school roofs and other school safety projects. That vote was positive, allowing the District to proceed with the projects. The total authorization was for \$7,566,838.

As we approach the summer of 2023, the roof construction will begin with the goal of full completion prior to the start of the new school year. The other associated school safety projects have been proceeding in parallel with the roof project bidding. Once the roof projects are complete the final overall amount of the borrowing will be known.

The District plan is to issue BANs (Bond Anticipation Notes) in July 2023 to ensure adequate cash flow for the projects. The BANs will be required to be repaid in July 2024. The assessment to both towns in FY2025 will be for the interest costs of those BANs.

VII. Adjourn

A motion by C. Panczyk, seconded by K. Szela to adjourn the meeting at 8:05 PM was passed unanimously.

P. Aucoin – Yes

C. Carmignani – Yes

J. Costello – Yes

J. Dell'Ovo – Yes

C. Panczyk – Yes

K. Szela – Yes

J. Terry – Yes

The items listed, which may be discussed at the meeting, are those reasonably anticipated by the chair. Not all items listed may, in-fact be discussed, and other items not listed may also be brought up for discussion to the extent permitted by law. The School Committee may vote on all items listed on this agenda.

2022-2023 School Committee Goals

Budget and Finance

DCRSD will work with all stakeholders to establish a FY24 budget that maintains the integrity of existing programs, seeks input on priorities of staff, students, and community members during the budgeting process, communicates transparency in process and expenditures, and provides our students with a comprehensive educational experience.

Shepherd Hill Building Project

By the conclusion of the 2022-2023 school year, the DCRSD will engage the families and community members in the Towns of Dudley and Charlton to prepare both communities for entry into the Massachusetts School Building Authority's Feasibility Grant Program for the Shepherd Hill Regional High School.

Communication

During the 2022-2023 school year, DCRSD will increase outreach to our communities through strengthening our working relationships with local boards and increased presence at school/community events. We will continue to provide opportunities for all stakeholders to understand resources available to our students and families within the district as well as any major initiatives within the District.

Next Meeting Dates

School Committee Meeting: Wednesday, May 10, 2023, 7:00 PM Shepherd Hill RHS

Budget and Finance Subcommittee: Monday, May 8, 2023, 9:30 AM – Video Conference

Policy Review Subcommittee: TBD – Video Conference

Curriculum Subcommittee for Teaching and Learning: TBD – Video Conference

Capital Outlay/Safety Subcommittee: Friday, May 5, 2023, 11:00 AM – Video Conference

Future Agenda Items: Dudley Town Override (ongoing), Charlton Impact (ongoing), Fiscal Year 2024 (ongoing), DCLC – Dudley-Charlton Leadership Council (May), Dudley-Charlton Staff Resource Handbook (May), Student Achievement Report (May), Superintendent's Evaluation (May)

DUDLEY-CHARLTON REGIONAL SCHOOL DISTRICT

Special Meeting of the Dudley-Charlton Regional School Committee
Wednesday, May 3, 2023, at 6:45 PM
Shepherd Hill Regional High School
68 Dudley-Oxford Road
Dudley, MA 01571

Agenda

- I. **Call Meeting to Order**
- II. **Pledge of Allegiance**
- III. **Moment of Silence**
- IV. **Communications**
- V. **Public Comment**
- VI. **New Business**
 - A. Discussion and Recommendation to the Town of Dudley to include Fiscal Year 2024 Operational Override and Shepherd Hill RHS Feasibility Study Assessment
 - B. Mr. David Eisenthal – Financial Advisor UniBank – *DCRSD Bonds for proposed Capital Projects*
- VII. **Adjourn**

The items listed, which may be discussed at the meeting, are those reasonably anticipated by the chair. Not all items listed may, in-fact be discussed, and other items not listed may also be brought up for discussion to the extent permitted by law. The School Committee may vote on all items listed on this agenda.

2022-2023 School Committee Goals

Budget and Finance

DCRSD will work with all stakeholders to establish a FY24 budget that maintains the integrity of existing programs, seeks input on priorities of staff, students, and community members during the budgeting process, communicates transparency in process and expenditures, and provides our students with a comprehensive educational experience.

Shepherd Hill Building Project

By the conclusion of the 2022-2023 school year, the DCRSD will engage the families and community members in the Towns of Dudley and Charlton to prepare both communities for entry into the Massachusetts School Building Authority's Feasibility Grant Program for the Shepherd Hill Regional High School.

Communication

During the 2022-2023 school year, DCRSD will increase outreach to our communities through strengthening our working relationships with local boards and increased presence at school/community events. We will continue to provide opportunities for all stakeholders to understand resources available to our students and families within the district as well as any major initiatives within the District.

Next Meeting Dates

School Committee Meeting: Wednesday, May 10, 2023, 7:00 PM Shepherd Hill RHS

Budget and Finance Subcommittee: Monday, May 8, 2023, 9:30 AM – Video Conference

Policy Review Subcommittee: TBD – Video Conference

Curriculum Subcommittee for Teaching and Learning: TBD – Video Conference

Capital Outlay/Safety Subcommittee: Friday, May 5, 2023, 11:00 AM – Video Conference

Future Agenda Items: Dudley Town Override (ongoing), Charlton Impact (ongoing), Fiscal Year 2024 (ongoing), DCLC – Dudley-Charlton Leadership Council (May), Dudley-Charlton Staff Resource Handbook (May), Student Achievement Report (May), Superintendent's Evaluation (May)

DUDLEY-CHARLTON REGIONAL SCHOOL DISTRICT

TO: School Committee Members
FROM: Richard J. Mathieu, Director of Finance and Operations
CC: Steven Lamarche, Superintendent
DATE: May 2, 2023
SUBJECT: Capital Projects and Debt Issuance

On September 6, 2022 the District held a special election in the towns of Dudley and Charlton for the authority to incur debt to address the two middle school roofs and other school safety projects. That vote was positive, allowing the District to proceed with the projects. The total authorization was for \$7,566,838. As a reminder, the regional agreement calls for each town to be responsible for its' schools capital amounts, with Shepherd Hill Regional High School split based on the population.

As we approach the summer of 2023, the roof construction will begin with the goal of full completion prior to the start of the new school year. The other associated school safety projects have been proceeding in parallel with the roof project bidding. Once the roof projects are complete the final overall amount of the borrowing will be known.

The District plan is to issue BANs (Bond Anticipation Notes) in July 2023 to ensure adequate cash flow for the projects. As a result of this timing, there is no assessment to the Town of Dudley in FY2024. The Town of Charlton has voluntarily approved a payment of \$1.5M towards the projects utilizing available revenues. The District is working with our fiscal advisor, bond counsel and the Town of Charlton to determine the appropriate course of action given this unique circumstance, but it appears that the payment will coincide with the issuance of BANs, resulting in a lower total borrowing and a lower interest cost for the Town of Charlton.

The BANs will be required to be repaid in July 2024. The assessment to both towns in FY2025 will be for the interest costs of those BANs. The current market interest rates for this type of borrowing are 3-4%, which would result in a total repayment cost of \$210,000-\$280,000, split between Dudley and Charlton. This is based on a borrowing of \$7,000,000. The approximation of interest payment is Dudley at slightly less than 40% and Charlton at slightly more than 60%. The main driver in this is the roof replacement costs which vary between Dudley Middle and Charlton Middle.

The cost and split of the interest charges will change if the District is able to receive the full \$1.5M from the Town of Charlton prior to issuing BANs. Based on that scenario I estimate the District would borrow \$5.5M, with an interest cost of approximately \$165,000-\$220,000 with the percentage split changing to approximately 51% for Charlton and 49% for Dudley.

Permanent financing, through the issuance of municipal bonds, will be discussed and decided in the Spring of 2024. If permanent bonds are issued during FY2025, repayment will be scheduled to begin in Fiscal Year 2026, with a short-term (5 year) note for smaller items, and a 20 year note for the roofs themselves. The District will work with both communities to ensure that the timing of these debt payments meet the towns' needs.



Fiscal Year 2024

Dudley-Charlton RSD

UPDATED

May 3, 2023

Presented: April 26, 2023

Shepherd Hill RHS

**FY 2024 Initial
Fixed Costs \$3,663,183
\$6,000 reduction in capital
Level Services – Annual Assessments**



Town of Charlton -	\$2,221,398
Town of Dudley -	<u>\$1,237,925</u>
FY2024 Assessment -	\$3,459,323
MA Gov new revenues -	<u>\$ 197,860</u>
Level Services Budget -	\$3,657,183



FY 2024 Version 1
Fixed Costs \$3,663,183
\$6,000 reduction in capital
Level Services – Annual Assessments



Town of Charlton -	\$1,899,198
Town of Dudley -	<u>\$ 960,125</u>
FY2024 Assessment -	\$2,859,323
MA Gov new revenues -	\$ 197,860
MA HWM addl revenues -	<u>\$ 600,000</u>
Level Funded Budget -	\$ 3,657,183



FY 2024 Version 2
Fixed Costs \$3,663,183
\$6,000 reduction in capital
Level Funding – Annual Assessments



Town of Charlton -	\$ 746,001
Town of Dudley -	<u>\$ (34,159)</u>
FY2024 Assessment -	\$ 711,842
MA state revenues -	<u>\$ 968,556</u>
Level Funded Budget -	\$ 1,680,398
Required Reduction -	(\$1,976,785)



Town of Dudley FY24 Level Service

- FY24 Level Service Budget \$11,030,591 (H1)
- FY24 Assessment \$ 960,125
- FY24 Level Funded Balance fwd \$ 34,159
- Operational Override Request (**\$ 994,284**)



W/O FY24 Dudley Operational Override

- Two-towns one School District
- Failed Dudley Override lowers Charlton's Assessment
- Level funding reduces Charlton's Assessment by \$1 Mil
- DCRSD level funded budget requires **(\$1,976,785)**



Question for SC tonight, May 3, 2023

- Town of Dudley voters provided direction
- Separate out capital (exclusion) and remove future DCRSD funding through a Town of Dudley stabilization account
- School Committee should address the most pressing needs of FY24
- Continue to work with the Town of Dudley to develop a plan for funding the SHRHS Feasibility Study



SHRHS Feasibility Study

- Shepherd Hill School Building Committee and the DCRSD School Committee approved a \$1 mil Feasibility Study for SHRHS
- Charlton Assessment - \$537,000 (supported)
- Dudley Assessment - \$463,000
- Extension required (June 29)
- Feasibility Study reimbursement (50-59%)
- Returned to the town through assessments (credited)



Feasibility Study Continued

- Massachusetts School Building Authority
- Grant program (50-59%)
- First SHRHS invitation in 14 years (applications)
- Strict process and timeline to remain in the grant program
- Feasibility Study – what is next for SHRHS
 - » Selection of Owners Project Manager (OPM)
 - » Selection of Designer Selection Panel (DSP)
 - » Community input throughout
 - » Evaluation of SHRHS to include
 - » Existing conditions
 - » Renovation costs
 - » New construction costs
 - » Schematic Design
 - » Required for invitation to next grant phase



DCRSD Capital Information

- As a reminder, the Town of Dudley and Town of Charlton voters supported a DCRSD Capital Plan valued at \$7,566,838
- We continue to work with both towns to prepare for DCRSD Capital Assessments
- Charlton FY24 payment of \$1.5Mil (voluntarily)
- Dudley needs to develop a plan for FY25



DCRSD Debt Issuance

- The DCRSD School Committee voted to assess each town for the SHRHS Feasibility Study, and the voters approved a DCRSD Capital Plan for \$7,566,838
- Next steps DCRSD – BANS (Bond Anticipation Notes) and Bonds
- What terms are associated with assessments to the towns
 - **Debt Exclusion**
 - **Capital Outlay Expenditure Exclusion**



FY 2024 Budget Discussion - Terms

Bond Anticipation Note (BAN) – Short-term debt instrument used to generate cash for initial project costs with the expectation the debt will be replaced later by permanent bonding. Typically issued for a term of less than one year, BANs may be reissued for up to 10 years, provided principal repayment begins after two years (MGL c. 44 § 17)



FY 2024 Budget Discussion - Terms

Bond – A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)



FY 2024 Budget Discussion - Terms

Debt Exclusion – An action taken by a community through a referendum vote to raise the funds necessary to pay debt service costs for a particular project from the property tax levy but outside of the limits under Proposition 2½. By approving a debt exclusion, a community calculates its annual levy limit under Proposition 2½, then adds the excluded debt service cost. The amount is added to the levy limit for the life of the debt only and may increase the levy above the levy ceiling.



FY 2024 Budget Discussion - Terms

Capital Outlay Expenditure Exclusion – A temporary increase in the tax levy to fund a capital project or to make a capital acquisition. Such an exclusion requires a two-thirds vote of the selectmen or city council (sometimes with the mayor's approval) and a majority vote in a communitywide referendum. The exclusion is added to the tax levy only during the year in which the project is being funded and may increase the tax levy above the levy ceiling.



What's next

- Town of Dudley Board of Selectman, Financial Appropriations and Advisory Committee and DCRSD School Committee meeting, Tomorrow, May 4, 2023 – 6:30 PM
- Recommendation from the School Committee
- Town of Charlton Annual Town Meeting Monday, May 15, 2023
- Town of Dudley Annual Town Meeting Monday, May 22, 2023

