

Voter Information Bulletin

Town of Douglas

October 2000

New School Construction Vote at Special Town Meeting

Saturday, October 21st at 10:00 AM

Article 1. School Construction

To see if the Town will vote to raise and appropriate, or transfer from available funds, or borrow \$25,624,790 for the purpose of the design, site preparation, construction, purchase of equipment and furnishing of both a new high school and modifications to existing schools herein referred to as the "New School" Project, and to authorize the Treasurer, with the approval of the Board of Selectmen, to issue any bonds or notes that may be necessary for such purpose as authorized by the General Laws, Chapter 44, Paragraph 7 (3), or any other general or special law, provided, however, that this appropriation and debt authorization shall be contingent upon the passage of a Proposition 2 1/2 debt exclusion referendum under General Laws Chapter 59, paragraph 21C (k); Further, a School Building Committee be established for the purpose of overseeing said project appointed by and under the direction of the School Committee; or act in relation thereto.

Finance Committee recommends this Article.

Article 2. Land Acquisition.

To see if the Town will vote to authorize the Board of Selectmen to purchase or take by eminent domain land in Douglas, Massachusetts, owned now or formerly by Reidell Brook Development Corporation, Inc., consisting of a parcel of 13.78 acres, more or less, located on Davis Street, as shown on Assessors Map 23, Parcel 25; recorded in the Worcester District Registry of Deeds, Book 16281, Page 335, including any easements benefiting such land, for general municipal purposes, if purchased and, if taken, for school purposes; and further, to raise and appropriate, transfer from available funds, or borrow the sum of \$250,000 for said acquisition, including costs incidental and related thereto; and further that the Board of Selectmen or its designee is authorized to execute all documents related thereto; said land to be under the jurisdiction and control of the Board selectmen provided that if the Board of Selectmen determine that said land is no longer needed for general municipal purposes, or that said land no longer needs to be held under the jurisdiction and control of the Board of Selectmen, said land shall thereupon be held under the control of the School Committee without further Town Meeting vote; or take any other action related thereto.

Finance Committee does not recommend this article.

Finance Committee Message

The Finance Committee is recommending approval of the School Committee's proposed new school construction project. The Finance Committee believes that this project, combined with projected operational increases, will push us into the upper limits of affordability for the Town of Douglas.

The Finance Committee believes that increasing fiscal pressures can be controlled with strong financial management and adherence to the forecasting model produced by our Staff Finance Team. The Town's financial flexibility will be limited.

If this project is accepted, Town Meeting will need in the foreseeable future to act with restraint and make careful financial choices.

The Finance Committee reviewed two indicators commonly used to measure debt capacity. The Debt Per Capita Ratio is the amount of Debt divided by Town population. Currently, Douglas has a Per Capita Debt of \$585.27 and that is considered low. Amounts over \$2,500 per capita would be considered by Standard & Poor's to be high. In FY02, current debt and proposed new school debt per capita would total \$3,910; with the addition of other new municipal debt, it would be \$4,723. The second measure is Debt Ratio which is the Percent of Debt to Total Property Valuation. Standard & Poor's suggests that a "High Debt Burden would be more than 6%". In FY02, the Town would have a Debt Ratio of 7.08%, if it added the proposed new school debt to the Town's current debt; additional anticipated new general municipal debt would increase that debt Ratio to 8.55% in the same year. By FY2006, Per Capita Debt and Debt to Valuation are projected to be \$4,025 and 6.65%, respectively.

The Staff Finance Team projected revenue-expenditure gaps in the town's operational budget in four of the ten years projected. The Team believes that there is enough time to adequately plan to meet those challenges. Town Departments will need to understand and cooperate with the implications of needing to constrain budget growth. Continued leadership and consensus among the Executive Administrator, Board of Selectmen, School Department and the Finance Committee will be essential.

The question for Town Meeting is 'how much debt is the taxpayer willing to carry outside of Proposition 2 1/2?' The individual voter will determine that answer.

School Committee Message

Dear Douglas Residents,

The School Committee is pleased to present to you our recommended solution to the Douglas School Space problem. Work began immediately following last January's Town Meeting to identify a lower-cost, yet educationally acceptable solution to our school space needs. We would like to briefly describe the steps the School Committee and School Building Committee took to identify the solution we will present to you on October 21.

Our first major step was to update our enrollment projections. We hired the New England School Development Council to include the most recent school population, town population, and birth rate data in the projections. This study reached similar conclusions to the prior study from 1998. We are clearly a growing community. Projections for grades six and higher did not change. Projections for grades five and under were somewhat lower in the new study, although growth will continue at all grade levels.

In May, the town elected three long-time residents to the School Committee. All five of us were very interested in improving the quality of education in Douglas in a financially responsible manner. Shortly following the election, the School Building Committee presented several potential projects based on the revised enrollment projections.

Since then, the School Committee identified and ranked each solution based on a number of criteria. One project we discussed was a new Elementary School. While we recognize the extreme overcrowding at the Elementary School as our most immediate concern, we found the project did not meet our goal of a long-term solution. We gave very serious consideration to a smaller Elementary School addition in conjunction with a new High School. In the end we all agreed a single building, a 700-student High School, was the most educationally forward-looking and financially advantageous solution to our school space needs.

PUBLIC INFORMATION MEETING
Wednesday, October 18
at 7:00PM
Douglas Middle/High School

We are especially pleased to present the voters of Douglas with a school construction project supported by all key boards, including the Board of Selectmen, Finance Committee, and Capital Improvement Committee. Following the voter rejection of the \$43M project in January, we all began working to improve communications with the goal of gaining consensus on a school space needs solution. We all recognize the value of education to the community. Many of us felt the earlier project stretched the town's finances beyond our means. By working together we can now present a solution which solves our education needs and, at 40% lower cost, is fiscally responsible.

The School Committee wishes to thank all the boards and individuals who have spent so many hours doing the data collection and analysis leading to this proposal submitted for your consideration and, hopefully, approval on Saturday October 21, 2000 at 10:00 A.M. at the Middle/High School Auditorium.

Thank you,

Douglas School Committee
Mitch Cohen, Chairman
Derek Brown, Anne Brunson, Shirley Downs, Bob Murphy

Why not an Elementary School?

While the overcrowding problem *began* with an increase of Elementary School children, the problem has now moved up with those growing children into the intermediate grades. So, why not build an Elementary (or Intermediate) School? Because a better longer-term solution is available!

The current Middle/High School is extremely well built and has a long useful life ahead of it. However, it is rapidly becoming technologically outdated. In order to meet the growing requirements for technological education, a significant level of upgrading would be called for within the next 5-10 years (if not sooner). However, the current Middle/High School will make a terrific Intermediate School with no changes required.

By building a new High School and thus freeing up the existing Middle/High building for use as an Intermediate School the Town and gets more for its money and a longer-term solution to its educational space needs as well as correcting the Elementary School overcrowding - our original goal.

Taxpayer Impacts of Article 1

The below statements were approved by the Finance Committee. Both charts were prepared by the staff finance team based upon its report to the Board of Selectmen.

Question 1: What will the construction of a new school cost me? Use the below chart to approximate your additional tax bill to fund proposed construction.

Home Value	2001	2002	2003	2004	2005	2006
\$100,000	\$0	\$144	\$160	\$159	\$188	\$122
\$150,000	\$0	\$216	\$240	\$238	\$283	\$183
\$200,000	\$0	\$289	\$320	\$318	\$377	\$244

Question 2: \$25.6 Million is a lot of money; why wouldn't my property tax bill be expected to increase by a greater amount? First, your tax bill, in fact, will increase more because both Town and School operational costs will also increase. In addition, other capital construction projects are expected to be proposed at future town meetings; if approved, these projects would also have a tax impact. But there are two reasons why the proposed school construction project itself has the moderate impact shown above: (1) the State will reimburse the Town up to 77% of the cost to repay principal and interest; that reimbursement is expected to begin in FY2005, that's why you see a big reduction in your cost beginning in FY2006 (2) the Town has been placing money over several years into a reserve fund to help stabilize the tax rate during the years preceding State reimbursement.

But you should also know something else, and it is important. The State changed its reimbursement formula this Summer. Projects approved by December 2000 will be funded under the old formula – a 77% reimbursement. Projects approved later will fall under the new formula which, for Douglas, starts at a base of 62.16%. We will likely qualify for a slightly higher reimbursement, but no town yet knows how the State will score the bonus criteria included in its new formula - it's brand new and untested. If a project is not funded this year, the potential difference if the Town had to pick up the difference between today's 77% reimbursement and a new base reimbursement of 62.16% would be approximately \$6.5 Million. For homes valued as shown above, the additional cost to pay for the project could range from \$68 to \$136 per year in the first year of reimbursement at a lesser rate - an increase of 22.5%.

Question 3: If we build a new school, are we going to be able to afford to pay the cost of running that school? Increases in School operational costs, *whether or not a new building is erected*, will be necessary to hire teaching staff for new students coming into our school system. If a new high school is constructed, annual operating costs for that building will add between \$380,000 and \$488,000. Even with Chapter 70 State aid to our school system increasing from \$5.3 million today to \$8 million by 2006, we do project a revenue/expense gap over a three year which could involve a combination of placing constraints on expenditure growth, budget cuts and potentially raising additional operational

funds through a Proposition 2 1/2 override. The real answer to the question is that we expect to add almost 500 new students to our system over the next 10 years, *whether or not a new high school is erected*,

Question 4: What will it cost to live in the Town of Douglas over the next 5 years? The below chart projects the average total property tax bill for the home values shown. It includes the proposed new high school, as well as projected operational costs, existing debt service, and the funding of additional capital projects.

Home Value	2001	2002	2003	2004	2005	2006
\$100,000	\$1,889	\$1,905	\$1,982	\$2,073	\$2,185	\$2,160
\$150,000	\$2,833	\$2,857	\$2,973	\$3,110	\$3,278	\$3,240
\$200,000	\$3,777	\$3,809	\$3,964	\$4,146	\$4,371	\$4,321

Board of Selectmen Message

Earlier this year, the School Building Study Committee presented their recommendations to the School Committee. Responsibility was transferred to the School Committee to choose the solution which would best solve the issue of overcrowding and meet the educational policies and goals for today and tomorrow. They narrowed the options down to two.

The next step in the process was to have the Staff Finance Team take the responsibility to review the costs and financial impact to the Town. Not only were they concerned with the costs associated with the two projects, they were to review the affordability of these two projects against future projects and budget increases the Town may incur.

Throughout the number crunching and paper pushing the Staff Finance Team regularly met with members of the Finance Committee and the Board of Selectman. They reviewed future capital projects, projected revenues and costs over a 10-year period and developed the basis for a multi-year financial plan. When they were done, they transferred the responsibility back to the School Committee to decide on what direction to take.

Now the responsibility is transferred to you. We cannot go forward without you. I am asking you to do your part. Review the facts, make a decision and cast your vote at Town Meeting. This is the only way the project will be able to move forward and succeed.

The second article on the warrant for October 21 is to see if the Town of Douglas should purchase commercial land adjacent to the land we purchased earlier this year. As a negotiated term of the purchase and sale agreement with Reidell Brook Development Corp. the Town is to present to the voters an option to purchase this parcel.

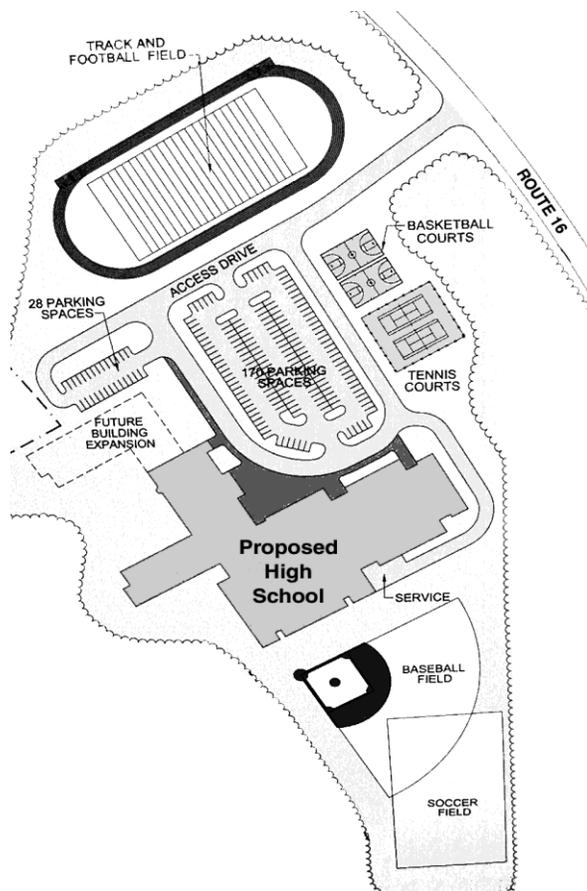
I will be meeting with the Economic Development Commission prior to the meeting on October 21. My intention is to present to them the information regarding the site and ask for their input. I will report their advice back to you at the meeting on October 21.

Tom Navaroli, Chairperson - Board of Selectman

Proposed New School

Contained within the \$25.6M request are the following components:

- Construction of a **new 700-Student High School**, to be located on Davis Street (Route 16) East of the existing Middle/High School. This building will serve grades 7-12. The existing Middle/High School will become an intermediate school and will house grades 3-6, alleviating the overcrowding at the Elementary School. Kindergarten and grades 1-2 will be taught in the Elementary School. Pre-School and Daycare will remain at the Early Childhood Center. This new school and grade configuration will serve the projected population of the Douglas Schools at least through 2010.
- Construction of a **new cafeteria/auditorium at the Elementary School**. The existing gymnasium currently doubles as the cafeteria (and auditorium). This is the most critical facility problem at the Elementary School.
- Small **addition to the existing cafeteria at the Middle/High School**. The cafeteria is undersized relative to the student capacity of the building.
- **Design funding and 5% contingency**. The contingency is to cover unexpected increases in cost after construction has begun.



PUBLIC INFORMATION MEETING
Wednesday, October 18
at 7:00PM
Douglas Middle/High School

This is a preliminary architectural rendition of the new High School and surrounding area. The main entrance will be on Route 16, approximately 800 feet East of the current Middle/High School entrance. This type of drawing is the starting point for the full design phase, which begins following approval of the project. The full design process takes 4-6 months, with another 18-24 months for construction.

Town of Douglas
29 Depot Street
Douglas, MA 01516

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RESIDENT

DOUGLAS, MA 01516

Special Town Meeting
Saturday, October 21 at 10:00AM
Douglas Middle/High School Auditorium