

Groton Dunstable Regional School District
SCHOOL COMMITTEE AGENDA
Wednesday, November 2, 2005
High School Library

Approx. time

SCHOOL COMMITTEE MEETING

- | | |
|------|---|
| 6:00 | I. Call to Order
Vote to enter Executive Session
EXECUTIVE SESSION M.G.L. Ch. 39, Sec. 23B – litigation
Telephone conference
Vote to exit Executive Session |
| 7:00 | II. Announcements |
| 7:10 | III. Reports from Sub-Committees <ul style="list-style-type: none">• Budget & Finance• Building Committee |
| 7:20 | IV. Minutes
Business Meeting minutes: October 19, 2005 |
| 7:25 | V. Questions/Comments |
| | VI. <i>Presentations/Discussion</i> |
| 7:35 | Policy |
| 8:05 | Report on MASC Conference |
| | VII. <i>Action Items</i> |
| 8:35 | Vote: Bond Anticipation Notes |
| 8:40 | Vote: HS basketball trip |
| 8:45 | VIII. Questions/Comments |
| | IX. Handouts
School Physician resignation
Oct. 2004 letter from Ropes & Gray LLP
Mass. School Building Authority letter 10.20.05
Town Meeting Questions & Answers
Memo to Groton and Dunstable Selectmen, Fin Coms
Basics of School Finance & Budgeting
State Ethics Laws: Open Meeting Law & Public Records |
| 8:55 | X. Adjournment |

Groton Dunstable Regional Schools
District Goals 2005-2006

1. To support the development of the whole student
2. To provide and maintain facilities which serve the needs of students and fulfill the district's stewardship responsibility
3. To retain and support quality staff

Please note: Meeting content, start times and duration are subject to change

Main Points to make regarding Article 10:

1. Provide background context. Use timeline.

- a. Explain the original decision to take property by eminent domain
- b. Explain the planning and deliberation that was put in place between June and October of this year
- c. Explain the DOR decision to mandate this debt authorization.

2. Briefly explain the appeal & current timeline of the appeal itself.

- a. The SC voted to appeal based on our understanding of the trial and particular points of procedure & law that may not have been followed. It is the current opinion of this SC that an appeals court should review specific areas of the trial and order a new trial. It is our further opinion that a new trial that corrected this procedural issues would result in a more favorable financial judgment for the district and the taxpayers of Groton and Dunstable.
- b. Until our appeal is filed, the district has an obligation maintain as confidential the exact nature and details of our appeal. The SC recognizes that this has created an uncomfortable public position because we cannot fully explain the rationale for this appeal at this time.
- c. The appeal will only determine whether or not a new trial is warranted.
- d. We estimate that the appeal will take approximately 12-18 months before a decision is reached. If a new trial is ordered, this could take an additional 6 months, perhaps longer if the Casella's appeal the appeals court decision.

3. Provide a SC perspective on this Article.

- a. This vote is before town meeting at this time for one reason: MA DOR has unilaterally determined that this is the only way to ensure that the eminent domain judgment against the school district does not adversely affect the FY06 budgets of either town.
- b. This article authorizes debt borrowing, but the SC will not be borrowing this money immediately, and will likely not be borrowing the full amount.
 - i. The SC has funds available that we believe are appropriate for use in this matter. A final determination of how much money can be utilized could not be reached before Town meeting based on the timing of the DOR directive.
 - ii. The SC does not intend to borrow against this authorization until a new judgment or settlement is reached. We believe that FY07 is the earliest that this could impact town budgets, and we continue to work closely with town officials and finance committees for planning purposes.
- c. The SC urges residents to support this article to avoid having the town's tax rate authorization delayed or withheld.
- d. The SC recognizes that there has been public input urging the SC to drop the appeal. The SC urges residents NOT to use this article as means to vote "for" or "against" the appeal.

4. Point out "Questions" section on back of handout and offer to answer questions!

**Article 10: Authorization of School Debt for High School Land Acquisition
Background Information**

The purpose of this document is to summarize the key aspects of the high school land acquisition and to provide a context for the warrant article under consideration this evening.

Timeline

- Winter / Spring 2001: GDRSC voted to acquire portions of the Casella property by eminent domain. Town Meetings in Groton and Dunstable are held, and voters approve the taking by authorizing debt in the amount of \$2.4 million to acquire the land. School Committee makes payment of \$1.8 million to Casella family.
- October, 2001: Casella family files eminent domain papers.
- 2001-2004: Preparations for eminent domain court case.
- Spring 2005: Eminent domain case heard by a jury in Middlesex Superior Court. On June 24th the jury determined that the land taken was worth \$4.1 million dollars. The balance due to the Casella family is approximately \$2.5 million.
- June 29, 2005: GDRSC is briefed on court case and votes to appeal. First public meeting is held with school district attorney to openly discuss the judgment.
- Summer 2005: School committee members meet with town selectman and finance committees to discuss financing options for settlement. A decision tree with anticipated timeframes is discussed to maintain coordination between school committee and town officials. School committee deliberates on legal strategy for the appeal in executive sessions.
- September 2005: School committee votes to hire additional legal council for appeal. Discussions on funding options continue.
- September 30: DOR meets with Dunstable and Groton officials and informs them that the towns' tax rate will not be approved until both towns can show that they have the ability to pay the entire settlement, even though this amount is not a current liability.
- October 6, 2005: GDRSC votes to incur debt up to \$2.5 million as the first step in following the DOR directive.
- October 24, 2005: Groton Town Meeting to authorize this debt.
- November 7, 2005: Dunstable Town Meeting to authorize this debt.

Frequently Asked Questions

Q: Why should the town vote to approve this debt while the case is still under appeal?

A: The MA Department of Revenue (DOR) has determined that both towns must have this authorization in place before a tax rate for this year can be approved.

Q: What would happen if one or both towns did not approve this debt article?

A: Based on discussions with DOR officials, the towns would not be able to have their FY06 tax rate approved, and property tax bills would be delayed. Without the ability to collect property taxes, both towns would likely be forced to borrow money to pay current expenses until this debt was authorized.

Q: Why is the School District appealing the decision?

A: The school committee, after receiving legal opinion, believes that errors were made during the trial that led the jury to an unfair verdict. By appealing the case the school district is asking a three judge panel to review the actions taken during the trial. If this panel of judges agrees, a new trial will be ordered. The school committee believes that new trial would result in a more favorable judgment.

Q: How much does it cost to appeal?

A: There are several expense components to the appeal (court fees, legal fees, and interest on any amount owed). The amount of expense is dependent on the various outcomes of the appeal process; for example, it will cost between \$30-50K to get an appeal decision. If the district lost the appeal, no other legal fees would be incurred and the settlement would be paid. If the district won the appeal, additional fees would be incurred based on having a new trial.

Q: Is the school district “throwing good money after bad” by pursuing this appeal?

A: The school committee has been very careful and deliberate in their approach to this appeal. We are acting on this matter with the towns financial interests in mind. The committee will continue pursuing the appeal so long as it remains in the best interests of the towns to do so.

Q: How much has been spent on this land acquisition to date?

A: Expenses related to the acquisition of this property, including appraisals, legal fees, borrowing costs, etc. have amounted to approximately \$2,124,287.

Q: Will the district borrow the entire \$2.5 million or will you use other school funds?

A: There is approximately \$270,000 left in the original land acquisition fund that could be applied to the settlement, and there is approximately \$300,000 left in the high school building fund that could be applied to the settlement. Obviously, the school committee cannot use this money for any other purpose, so we will borrow only the amount necessary after taking other funds into account.