



Town of Saugus Proposed 21st Century Education Plan and Middle-High School District-Wide Solution

At a Town-wide election on June 20, 2017, the residents of Saugus will have an opportunity to support and invest in a new 21st century education plan and Middle-High School district-wide facility that will continue to prioritize education. Supporting this initiative will change the way education is delivered and help the school district achieve its goal to become a top-rated, level 1 school district in Massachusetts - our Town deserves and needs higher expectations and standards for our children and community.



Lower Elementary
Pre K - Grade 2
(Veterans Memorial School)



Upper Elementary
Grades 3 - 5
(Belmonte School)



Middle-High School
Grades 6 – 12
(New School)

This initiative would create a 6-12 Middle-High School; the current Belmonte Middle School would be established as an Upper Elementary School for grades 3-5; and the Veterans Memorial Elementary School would become a Lower Elementary School for pre-K to grade 2. Endorsing this vision and the school district's plan will transform the way education is valued within this community. Most importantly, it will provide equal, equitable opportunities for students to access educational resources and reach their highest potential.

This District-Wide Solution Will:

- **Facilitate the School District's Goal of Becoming a Level 1 School District:** Saugus School District is currently rated as a Level 3 School for being among the lowest performing 20% of schools in the State. The Center for District and School Accountability (DSA) and the Department of Elementary and Secondary Education (DESE) conducted a review in 2010 and placed the District under a corrective action and/or restructuring plan.
- **Allow the School District to Provide Fair and Equal Access to All and to Continue to Prioritize Education:** It would provide equal, equitable access, and opportunities to educational resources for students to reach their highest potential and achievements.
- **Maintain our Accreditation with New England Association of Schools and Colleges (NEASC):** Saugus High School's accreditation has been on warning since 2013 and is at risk of losing its accreditation due to inadequate building facilities. Construction of the new Middle-High School would resolve these following inadequacies: Americans with Disabilities Act (ADA) standards, outdated and uncomfortable classroom furniture, a lack of adequate power for science labs, outdated lighting and technology, and a lack of security and lighting in the parking lot.

- **Address Health and Safety Issues:** Construction of a new facility would resolve identified deficiencies in fire protection, sprinkler systems, and ADA accessibility, including structural, mechanical, electrical, and code issues. This will ensure that our children are in the safest and most secure schools.

This District-Wide Solution Will Improve the Quality of Education With:

- Science labs that meet the State's educational and safety standards.
- Facilities, technology, and academic curricula to support critical skills for success in today's educational and workforce environments including:
 - 3-D & computer-aided design labs
 - Coding, web design, and graphic design labs
 - Media, language, and accounting labs
 - Modern library media center
 - Chromebooks and Wi-Fi access for all students
- Work spaces designed for student collaboration and project-based learning in all subject areas.
- Shared instructional resources and opportunities for increased teacher collaboration.

This District-Wide Solution Will Benefit our Community By:

- Providing residents with access to the media center, cafetorium, and other common areas during non-school hours.
- Supporting adult education and programming for senior citizens, parents, and community partners.
- Offering the recreational use of athletic facility and playing fields, including an on-site turf field.

This District-Wide Solution Will Include:

- 270,000 total square feet including a 12,000 square foot gymnasium.
- Capacity for 1,360 students in grades 6-12, grouped into small learning communities.
- State-of-the-art science labs and technology classrooms.
- Fine and performing arts classrooms and a 750-seat auditorium.
- New sports complex for competition and practice.
- Walking paths and track for community use.
- Outdoor classrooms, student gardens, and hands-on project areas at every grade level.
- Construction updates to Veterans Memorial Elementary School and Belmonte Middle School.

For More Information, Visit:

www.saugus-ma.gov/saugus-high-school-project-building-committee



Saugus' Newly Earned, Impressive S&P AA+ Bond Rating Aims to Save the Taxpayers an Estimated \$7.2 Million with New Middle-High School District-Wide Master Plan Solution

The residents of Saugus will realize a tremendous financial benefit of the Town's highest-ever S&P AA+/Stable bond rating when they have the opportunity to vote in a Tuesday, June 20, 2017 election. They will be able to support and invest in a new 21st century education plan and Middle-High School District-Wide Master Plan Solution that will continue to prioritize education in the community.

This recently earned S&P AA+ bond rating will save the taxpayers of Saugus an estimated \$7.2 million over the life of the bond for the Massachusetts School Building Authority (MSBA) grades 6-12, new Middle-High School which includes a multipurpose athletic field and outdoor track, and additional construction. Supporting this project, and the educational plan, and its vision to change the way education is delivered will help Saugus achieve its goal of becoming a top-rated, Level 1 School District in Massachusetts.

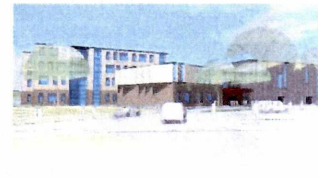
This S&P AA+ ranking, which is the highest in Saugus' history, signifies the Town's credit worthiness and that the Town has a very strong capacity to meet its financial commitments. The sound financial practices of the Board of Selectmen, Finance Committee, and Town Meeting, as well as, Town department heads and employees, has contributed to the Town's consistent annual free cash and significant stabilization reserves, ultimately resulting in the Town's vastly improved bond rating.



Lower Elementary
Pre K - Grade 2
(Veterans Memorial School)



Upper Elementary
Grades 3 - 5
(Belmonte School)



Middle-High School
Grades 6 - 12
(New School)

Residents will be asked to vote to approve two ballot questions. The first ballot question is for the grades 6-12 MSBA new Middle-High School which includes a multipurpose athletic field and outdoor track. The second ballot question is for the District-Wide Master Plan Solution which includes renovations to the Belmonte School and Veterans Memorial School. The first ballot question is an MSBA-sponsored project, and the second ballot question is a Town-sponsored initiative. The residents would need to approve both ballot questions for either of the initiatives to move forward.

The School Building Committee recently unanimously approved a total project budget investment of \$186,129,460, with an investment of \$160,720,553 for a proposed grades 6-12 MSBA new Middle-High School which includes a multipurpose athletic field and outdoor track. In addition, this Master Plan would include an investment of \$25,408,907, which is a Town project, not through the MSBA. Pursuant to the School Building Committee's project approval, the Town share would be an estimated \$118,863,420, of the total project. This investment would be bonded over a 30-year period.

This initiative would create a grades 6-12, new Middle-High School which includes a multipurpose athletic field and outdoor track; the current Belmonte Middle School would be established as an Upper

Elementary School for grades 3-5; and the Veterans Memorial Elementary School would become a Lower Elementary School for Pre-K to grade 2.

Endorsing this vision and the School District's Plan will provide equal, equitable opportunities for students to access educational resources and reach their highest potential. In addition, this will allow the School District to: maintain accreditation with the New England Association of Schools and Colleges (NEASC); resolve inadequacies related to outdated lighting, technology, and power systems; and address health and safety issues such as deficiencies in fire protection, sprinkler systems, and ADA accessibility including structural, mechanical, and code issues.

Financial Investment for the Community

The residents would need to approve both ballot questions for either of the initiatives to move forward.

The first question on the ballot that the residents will be asked to support is the grades 6-12, new Middle-High School Building which includes a multipurpose athletic field and outdoor track. The MSBA, as the Town's financial partner, will reimburse the Town at a minimum rate of 53.32 percent (expected to increase) of eligible approved project costs. The community should be aware that the reimbursement percentage by the MSBA will increase prior to final MSBA approval based on benchmarks and incentives that have been discussed and incorporated into the construction plans by the School Building Committee.



*Graphic is intended for illustration purposes. Approximate percentages are based on estimates and only applied to the MSBA new Middle-High School eligible approved project costs and may not represent actual costs once the project is approved.

The residential property values are an estimated 80 percent of the Town's total assessed value and the remaining estimated 20 percent is the commercial property value. The Town and the Board of Selectmen have historically voted and approved shifting the maximum allowable tax burden by law to the commercial taxpayer, which is 175%. The illustration above shows the unique opportunity for residential taxpayers of Saugus.

In other words, when a residential taxpayer invests an estimated 30%, or 30¢ on the dollar, into the grades 6-12, MSBA new Middle-High School Building which includes a multipurpose athletic field and outdoor track, in turn an estimated 70%, or 70¢ on the dollar, will be reimbursed and/or supported by the Town's financial and community partners.

The second question on the ballot that the residents will be asked to support is the District-Wide Master Plan Solution, which is comprised of the renovations and improvements at the Belmonte School (which will be grades 3-5) and Veterans Memorial School (Pre-K through grade 2).

The Residential Taxpayers' Investment

Saugus taxpayers would realize a gradual increase in their taxes being invested into the total project in the first several years of the bond. Not until approximately seven years would the financing increase to its highest amount and then it will begin to gradually decline. The taxpayers should be aware that existing debt exclusions that are rolling off have been factored into the financing estimates.

Average single family homes with a value assessed at \$375,000 and below make up 70% of the Town's residential taxpayer. Average single family homes with a value assessed between \$250,000 and \$350,000 make up approximately 55% of the residential taxpayer.

The grades 6-12, MSBA new Middle-High School Building which includes a multipurpose athletic field and outdoor track and District-Wide Master Plan Solution including the construction and renovations to Belmonte School and Veterans Memorial School would require Saugus residents with a single family home value assessed at \$300,000 to invest a daily average of 98¢ over the life of the bond – less than any size cup of coffee at Dunkin' Donuts.

Estimated Tax Rate Contribution

Fiscal Year	Avg. Single Family Home Value Assessed at \$100,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$375,000
2018	\$20.45	\$30.67	\$40.89	\$51.12	\$61.34	\$71.56	\$76.67
2019	\$31.61	\$47.42	\$63.23	\$79.03	\$94.84	\$110.65	\$118.55
2020	\$48.30	\$72.45	\$96.60	\$120.74	\$144.89	\$169.04	\$181.12
2021	\$74.75	\$112.12	\$149.50	\$186.87	\$224.25	\$261.62	\$280.31
2022	\$107.92	\$161.87	\$215.83	\$269.79	\$323.75	\$377.70	\$404.68
2023	\$133.71	\$200.56	\$267.41	\$334.26	\$401.12	\$467.97	\$501.40
2024...	\$144.37	\$216.56	\$288.75	\$360.93	\$433.12	\$505.31	\$541.40
2034	\$144.25	\$216.38	\$288.50	\$360.63	\$432.76	\$504.88	\$540.94
2035	\$130.88	\$196.31	\$261.75	\$327.19	\$392.63	\$458.07	\$490.79
2036...	\$130.87	\$196.30	\$261.74	\$327.17	\$392.61	\$458.04	\$490.76
2048	\$112.34	\$168.50	\$224.67	\$280.84	\$337.01	\$393.18	\$421.26
2049	\$112.39	\$168.59	\$224.79	\$280.98	\$337.18	\$393.38	\$421.47
2050	\$73.79	\$110.69	\$147.59	\$184.49	\$221.38	\$258.28	\$276.73
2051	\$31.90	\$47.85	\$63.80	\$79.75	\$95.70	\$111.65	\$119.62

*Bonds structured on a level debt basis. Bonds amortized over 28 years. Interest rates are estimates, subject to change. Full table will be available on Building Committee website listed below.

As an example, the homeowner of an average single family home value assessed at \$300,000 would contribute an additional estimated \$61.34 in 2018; an estimated \$94.84 in the second year, 2019; an estimated \$144.89 in the third year, 2020; and an estimated \$224.25 in the fourth year, 2021; with the maximum contribution of \$433.12 in year seven. After this, the contribution would begin to gradually decline over the life of the bond.

Again, residents would need to approve both ballot questions for either of the initiatives to move forward.

For more information, visit: www.saugus-ma.gov/saugus-high-school-project-building-committee.

TOWN OF SAUGUS
MASSACHUSETTS



**Report of the
Finance Committee**

**Relative to the
Warrant Articles
to be presented to the**

SPECIAL TOWN MEETING

May 30, 2017

FINANCE COMMITTEE REPORT

Article 2. To see if the Town will vote to appropriate, borrow, or transfer from available funds, an amount of money to be expensed under the direction of the Town Manager to design, engineer, construct, and equip the New Saugus Middle/High School and athletic facilities located at Pearce Memorial Drive in Saugus, MA, including the payment of all costs incidental or related thereto (the "Middle/High School Project"). The Middle/High School Project school facilities shall have an anticipated useful life as an educational facility for the instruction of school children for at least 50 years, and the Town may be eligible for a grant from the Massachusetts School Building Authority ("MSBA") for such Middle/High School Project. The Town acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town. Any grant that the Town may receive from the MSBA for the Middle/High School Project shall not exceed the lesser of (1) fifty-three and thirty two one hundredths percent (53.32%) of eligible approved costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; or take any other action relative thereto.

Recommendation: That the Town appropriates the amount of One Hundred Sixty Million Seven Hundred Twenty Thousand Five Hundred Fifty-Three (\$160,720,553) Dollars for the purpose of paying costs to design, engineer, construct and equip the New Saugus Middle / High School and athletic facilities located at Pearce Memorial Drive in Saugus, MA, including the payment of all costs incidental or related thereto in the amount of \$160,720,553 (the "Middle / High School Project"), which school facility shall have an anticipated useful life as an educational facility for the instruction of school children for at least 50 years, and for which the Town may be eligible for a grant from the Massachusetts School Building Authority ("MSBA"), said amount to be expended under the direction of the Town Manager. To meet this appropriation the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said amount under M.G.L. Chapter 44, or pursuant to any other enabling authority. The Town acknowledges that the MSBA's grant program is a non-entitlement, discretionary program based on need, as determined by the MSBA, and any project costs the Town incurs in excess of any grant approved by and received from the MSBA shall be the sole responsibility of the Town; provided further that any grant that the Town may receive from the MSBA for the Middle / High School Project shall not exceed the lesser of (1) fifty-three and thirty-two one hundredths percent (53.32%) of eligible, approved project costs, as determined by the MSBA, or (2) the total maximum grant amount determined by the MSBA; provided that any appropriation hereunder shall be subject to and contingent upon an affirmative vote of the Town to exempt the amounts required for the payment of interest and principal on said borrowing from the limitations on taxes imposed by M.G.L. 59, Section 21C (Proposition 2½); and that the amount of borrowing authorized pursuant to this vote shall be reduced

by any grant amount set forth in the Project Funding Agreement that may be executed between the Town and the MSBA. Any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.

Article 3. To see if the Town will vote to appropriate, borrow, or transfer from available funds, an amount of money to be expended under the direction of the Town Manager to (1) design, engineer, renovate and add to, and equip the Saugus Veterans Memorial School, including the payment of all costs incidental and related thereto, and (2) design, renovate and equip the Belmonte Middle School, including the payment of all costs incidental or related thereto; or to take any action relative thereto.

Recommendation: That the Town appropriates the amount of Twenty-Five Million Four Hundred Eight Thousand Nine Hundred Seven (\$25,408,907) Dollars for the purpose of paying costs to (i) design, engineer, renovate and add to, and equip the Saugus Veterans Memorial School, including the payment of all costs incidental or related thereto, and (ii) design, renovate and equip the Belmonte Middle School, including the payment of all costs incidental or related thereto. To meet this appropriation the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said amount under M.G.L. Chapter 44, or pursuant to any other enabling authority; provided that any appropriation hereunder shall be subject to and contingent upon an affirmative vote of the Town to exempt the amounts required for the payment of interest and principal on said borrowing from the limitations on taxes imposed by M.G.L. 59, Section 21C (Proposition 2½). Any premium received by the Town upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount.