

Whittier Tech Info Night

January 9, 2024



Welcome!

- Amesbury
- Merrimac
- Georgetown
- Newbury
- Groveland
- Rowley
- Haverhill
- Salisbury
- Ipswich
- West Newbury



Presentation Overview



BACKGROUND &
PROJECT OVERVIEW



FINANCIALS &
IMPACTS



WHAT YOUR VOTE
MEANS

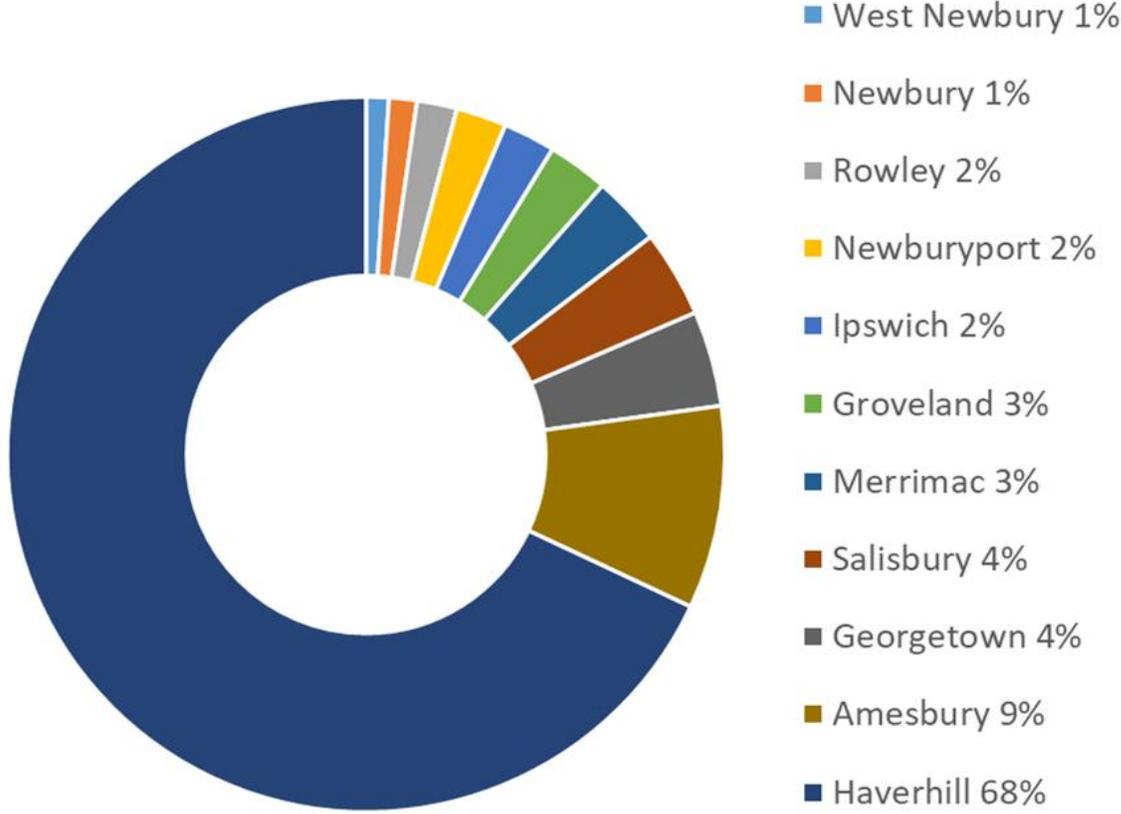
History & Acts of 1967

- The Whittier Regional Vocational School District was formed by the Acts of 1967 and includes 11 communities
- The original building construction was funded entirely by the State
- Funding formula:
 - Capital Cost allocation is divided among the municipalities based on the number of students in each community's school district (not the number enrolled in WT)
 - This Capital contribution is an anomaly: most regional schools assess based on enrollment
 - Operating Costs are based on enrollment

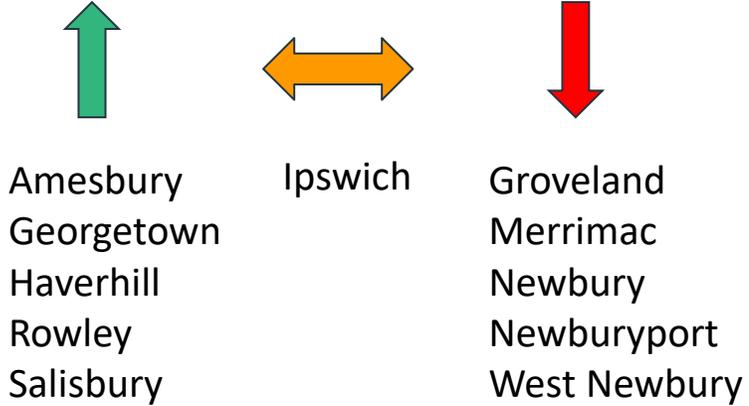
The Agreement

- Process to amend the agreement:
 - Initiated by a majority vote of all the members of the Committee or by a petition signed by 5% of the registered voters of any one of the member municipalities
 - The City Council shall vote to accept the proposed amendment within 60 days, or the Town Selectmen shall include in the warrant for the next town meeting
 - Amendment shall take effect upon acceptance by all the member municipalities
- Process to leave the district:
 - Any member municipality seeking to withdraw shall, by a majority vote of city council or town meeting, request the Committee to draw up an amendment setting forth the terms by which the municipality may withdraw from the District
 - The municipality shall remain liable to the District for its share of the indebtedness of the District outstanding at the time of withdrawal
 - Amendment shall take effect upon acceptance by all the member municipalities

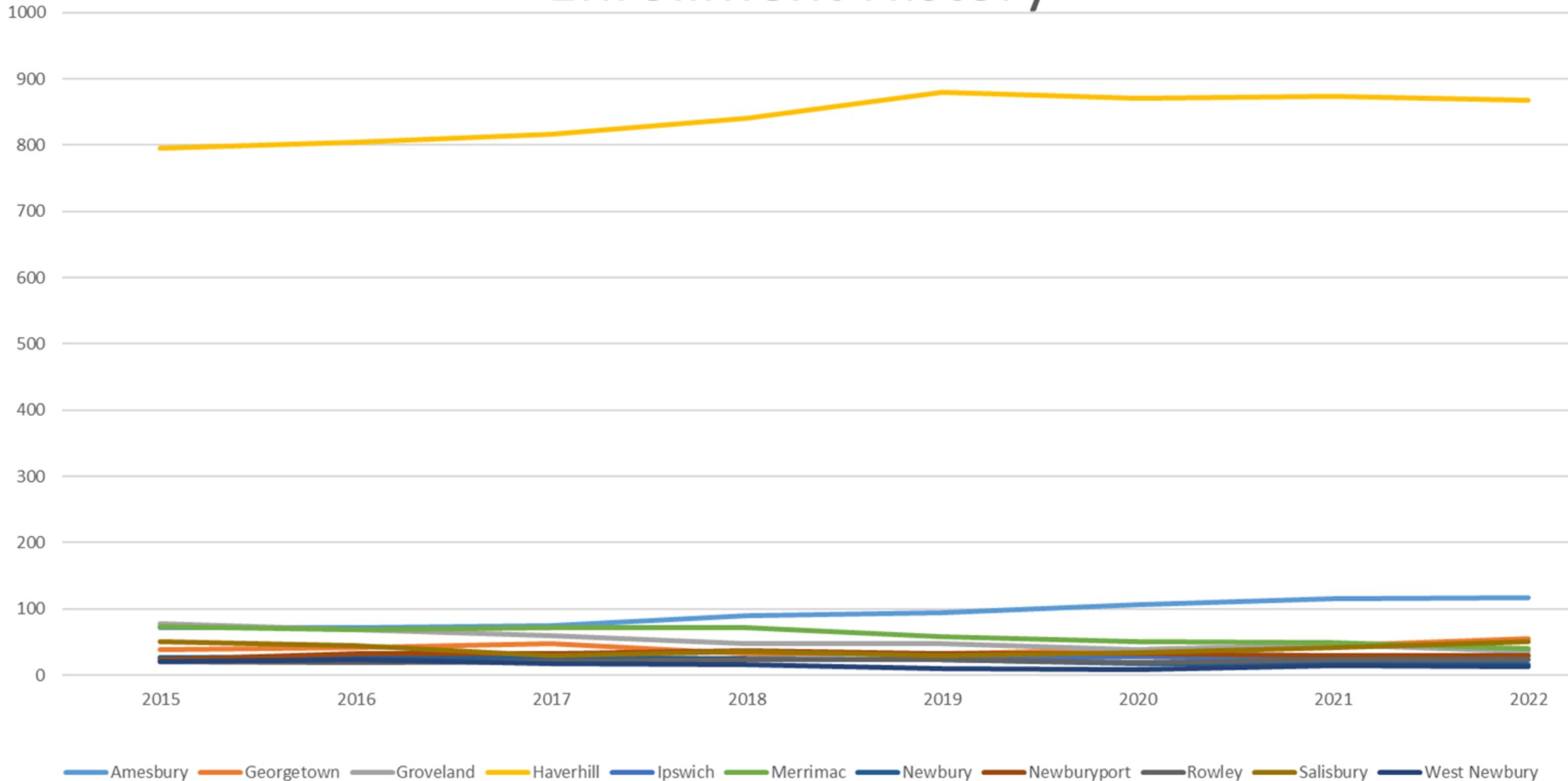
District-Wide Enrollment



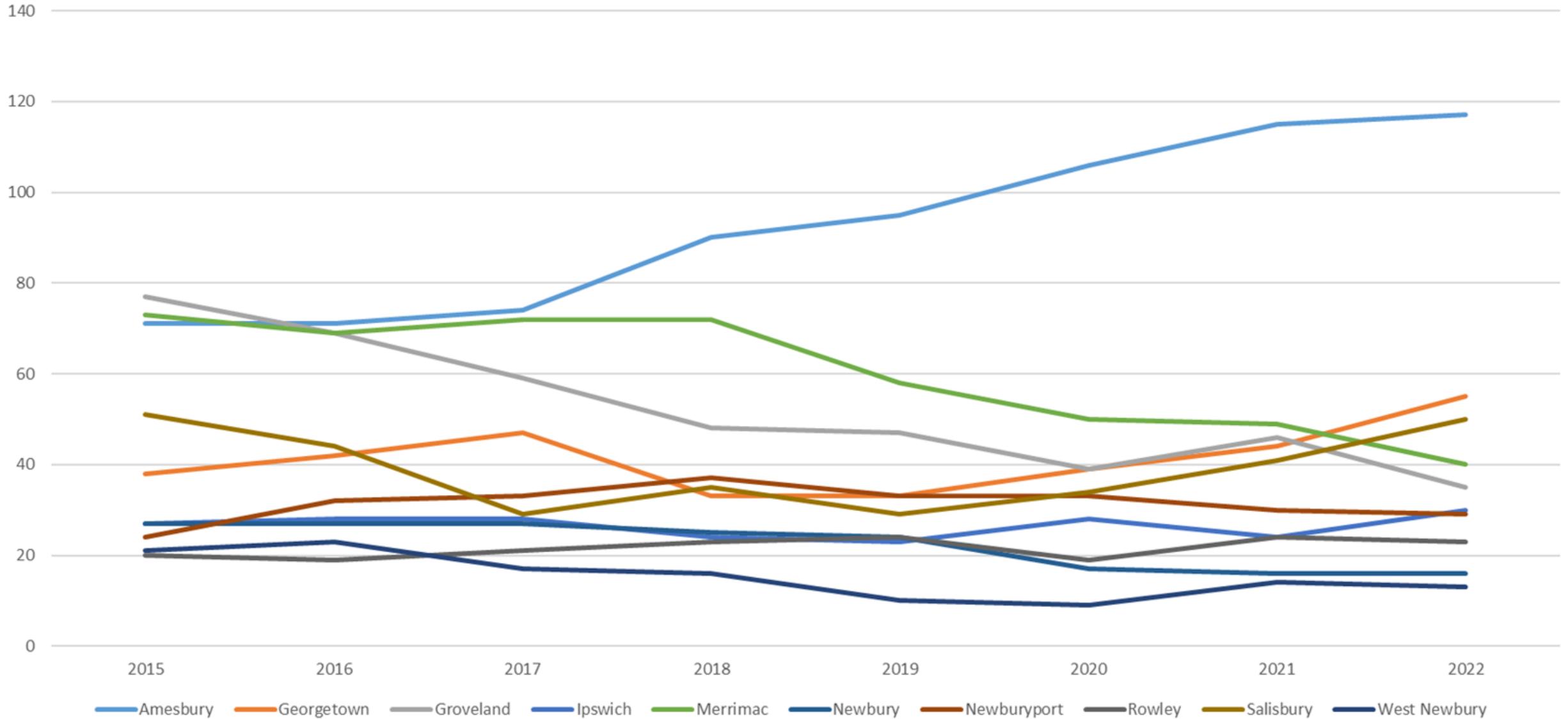
Enrollment Trends 2015-2022



Enrollment History



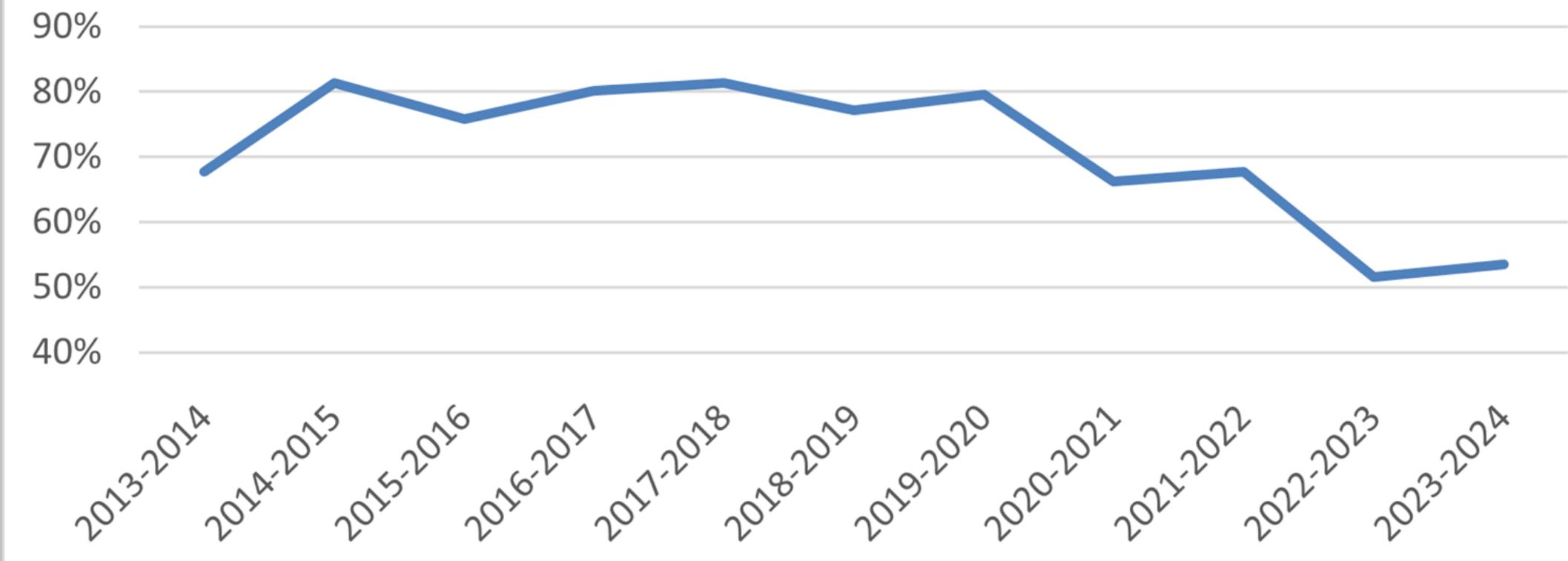
Enrollment History



Whittier Acceptance Criteria

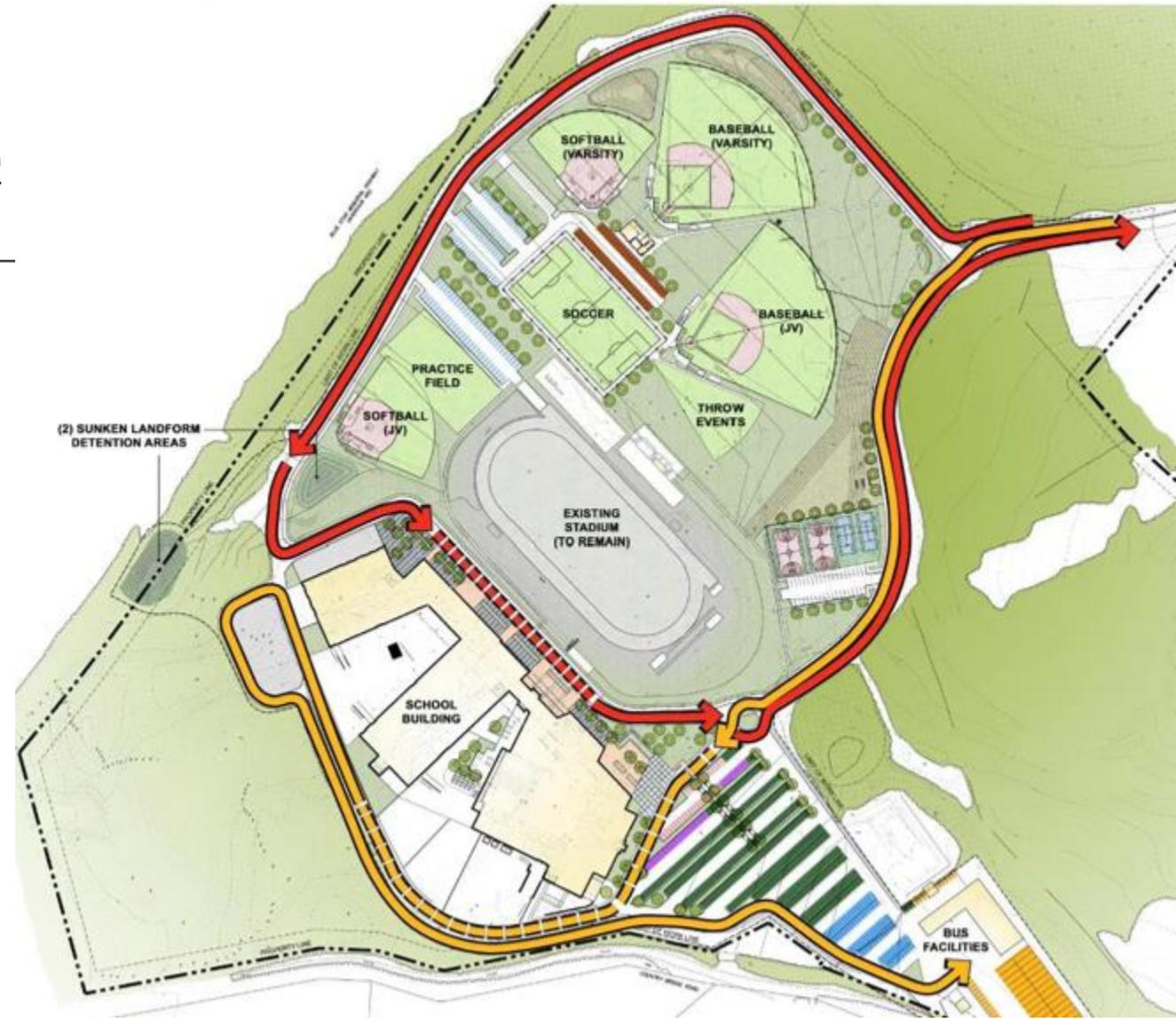
<p>Scholastic Achievement Grade averages in ELA, Math, Science and Social Studies Points allocated to grades, e.g. A- to A+ = 30 points, B- to B+ = 25 points, etc</p>	<p>Maximum 30 points</p>
<p>Attendance Point allocated for total days of unexcused absences 0-9 = 10 points, 10-15 = 7.5 points, etc</p>	<p>Maximum 20 points</p>
<p>School Discipline/Conduct No suspensions or expulsions = 5 points 1 or more suspensions or expulsions = 0 points</p>	<p>Maximum 10 points</p>
<p>Sending School Recommendation Points allocated based on average score from the Sending School Report Excellent = 10 pints, Above Average = 7 points. etc</p>	<p>Maximum 10 points</p>
<p>Interview Excellent = 30 points, Above average = 23 points, etc “The interview permits applicants an opportunity to provide context for their application and allows Whittier Tech to assess applicants’ motivation and realism relating to a technical/vocational education.”</p>	<p>Maximum 30 points</p>

Whittier Tech Overall Acceptance Rates



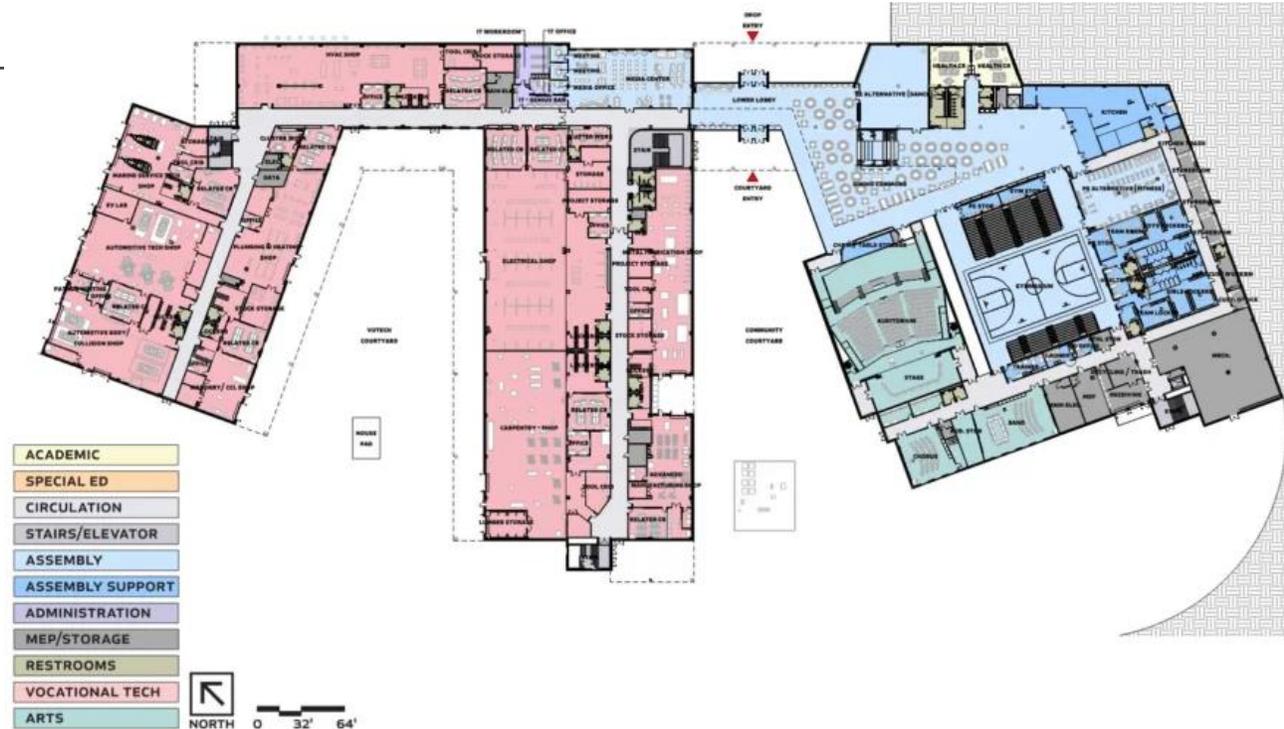
Building Plan to Date

- 2016: Feasibility Study by WT
- 2019: Enter MSBA program
- 2022: Building Committee formed
- Nov 2022: City Officials meet
- Oct 2023: Final cost estimates
- Dec 2023: WT vote & MSBA vote
- Jan 23, 2024: District-Wide Vote



Building Plan to Date

- Vocational, Specialty, Support & Community spaces on first and second floors:
 - HVAC, Automotive, Electrical, Marine Services, Carpentry, Culinary, Cosmetology, etc.
 - Theater, Gymnasium, Band room, Chorus room, Fitness room
- Academic classes on 3rd floor
- 4 Ball diamonds, 4 sport courts, 2 fields, stadium to remain
- Enrollment will remain the same



Current Building

- 50-year old building
- Outdated mechanical & electrical systems
- Fire protection and accessibility issues
- Plumbing issues
- Not ADA compliant



Comparable Voc Techs

School	Cost	Year	\$/sf	Capital Cost formula
Whittier Tech	\$444.6M	N/A	\$1,168.72	% of Students in Community
Essex Tech	\$133M	2014	\$400.00	% of Students enrolled
North East Metro Tech	\$317M	Under construction	\$822.34	% of Students enrolled
Diman Voc Tech	\$300M	Under construction	\$742.99	% of Students in Community
Tri-County Voc Tech	\$286M	Under construction	\$1,003.48	% of Students enrolled

E&D Balance & Capital Spending – Past 10 Yrs

Excess and Deficiency (E&D) Certified Balance

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess and Deficiency	898,969	940,177	1,062,826	949,339	843,007	838,728	735,339	999,446	1,026,005	1,125,775

Capital Costs

	2014- 2015	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	Ten-Year Total
Athletic Field Turf					645,000	695,000	345,000				1,685,000
MSBA Project							350,000	400,000	400,000	436,600	1,586,600
Bleacher replacement			795,000								795,000
Buses (4 total)	185,000	175,000									360,000
Costs associated with redeployment of vocational areas									295,000		295,000
Exterior repairs and improvements (walkways, stairs, etc.)								295,000			295,000
Technology Infrastructure Project										258,400	258,400
Saw dust collector		230,000									230,000
Electrical panel replacements				225,000							225,000
Strippit	200,000										200,000
Boiler replacements				195,000							195,000
Greenhouse repair				75,000							75,000
Total Capital Costs	385,000	405,000	795,000	495,000	645,000	695,000	695,000	695,000	695,000	695,000	6,200,000
Less: Use of E and D			(390,000)								(390,000)
Total Capital Cost Assessment ¹	385,000	405,000	405,000	495,000	645,000	695,000	695,000	695,000	695,000	695,000	5,810,000

Source: MA Department of Revenue, Whittier Tech Approved Budget Books

¹Capital costs are assessed based on the student-aged population of each city/town per district agreement.

Capital Allocations vs. Current Stated Needs

Whittier Capital Expense 2014-2023

(listed chronologically)

- \$195,000 Boiler replacements
- \$225,000 Electrical panel replacements
- \$75,000 Greenhouse repair
- \$1,735,000 Athletic Field Turf (2019, 2020, 2021)
- \$1,586,600 MSBA Feasibility Study (2021, 2022, 2023, 2024)
- \$295,000 Exterior repairs and improvements (walkways, stairs, etc.)
- \$295,000 Costs associated with redeployment of vocational areas
- \$258,400 Technology Infrastructure Upgrades

January 5, 2024 renovation estimate (by Consigli, hired GC)

- Wastewater Treatment Plant: \$12,765,821
- Sprinkler System: \$11,260,998
- New Access Road: \$9,395,603
- Code Upgrade: \$316,773,326

Total Estimated Cost: \$350,195,749

Cost Apportionment Per District Agreement

Operating Costs: Apportioned to member municipalities based on their respective student enrollment at Whittier Tech

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Capital Costs: Apportioned to member municipalities based on the student-aged population (grades 1-12) of each city or town

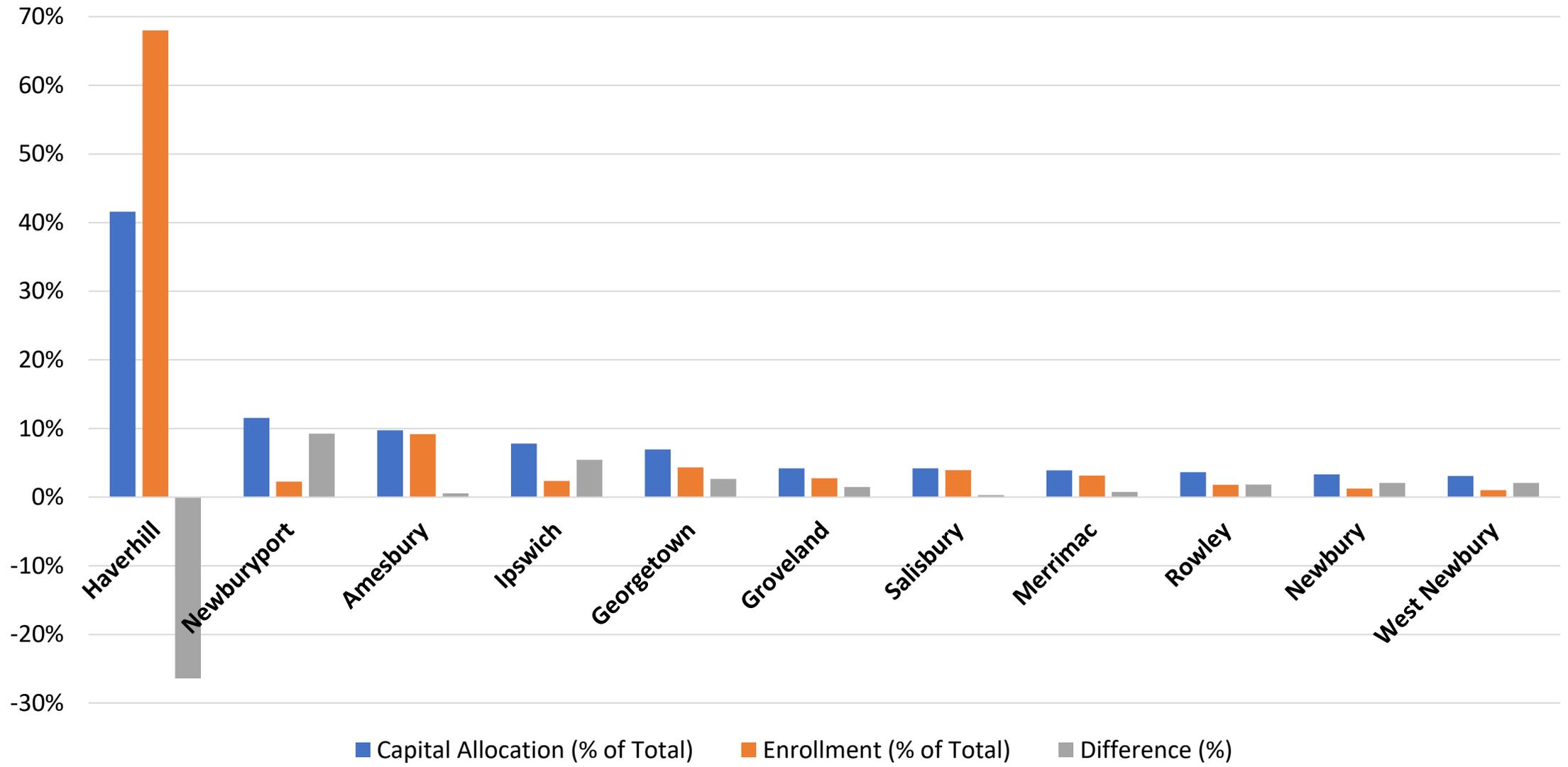
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Total Annual Assessment

Current Makeup of Whittier Tech District

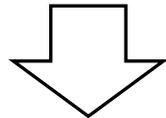
City/Town	Whittier Tech Enrollment		City/Town Student Population		% Student Population vs. Enrollment
	Count (#)	Percentage (%)	Count (#)	Percentage (%)	
Amesbury	117	9.2%	1,968	9.7%	+0.6%
Georgetown	55	4.3%	1,406	7.0%	+2.6%
Groveland	35	2.7%	851	4.2%	+1.5%
Haverhill	867	68.0%	8,406	41.6%	-26.4%
Ipswich	30	2.4%	1,576	7.8%	+5.4%
Merrimac	40	3.1%	789	3.9%	+0.8%
Newbury	16	1.3%	672	3.3%	+2.1%
Newburyport	29	2.3%	2,331	11.5%	+9.3%
Rowley	23	1.8%	738	3.7%	+1.8%
Salisbury	50	3.9%	849	4.2%	+0.3%
West Newbury	13	1.0%	622	3.1%	+2.1%
Total	1,275	100.0%	20,208	100.0%	0.0%

Capital Allocation versus Enrollment

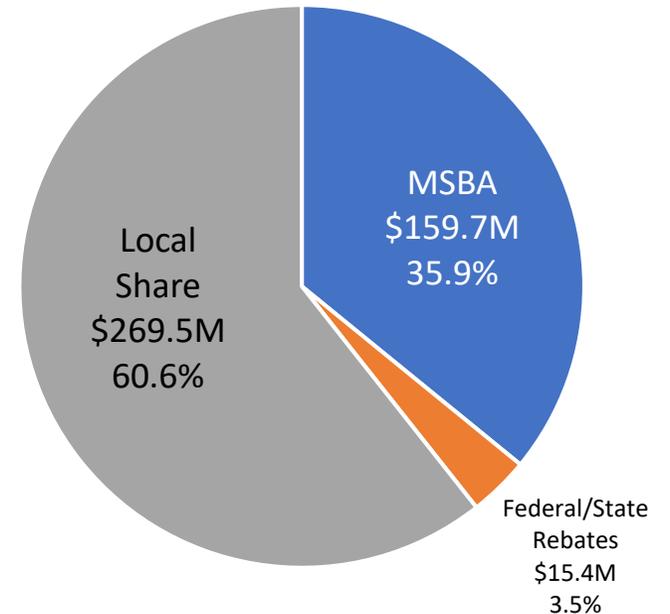


Proposed Building Project Financials

Total Estimated Project Costs	\$444,613,813
Estimated MSBA Reimbursement*	(\$159,675,637)
Anticipated Mass Save Rebate	(\$5,400,000)
Anticipated Federal Direct Incentive Payment	(\$10,047,000)
District's Local Share of Project Costs	\$269,491,176



*As of December 13, 2023 based on final [MSBA grant](#)



Cost Breakdown by Member Cities & Towns

City/Town	City/Town Student Population		Share of Project Cost After MSBA	Total Principal + Interest ¹	Annual Debt Service (30 yrs ²)	Annual D/S Per Enrolled Student
	Count (#)	Percentage (%)				
Amesbury	1,968	9.7%	\$26,244,984	\$51,288,743	\$1,709,625	\$14,612
Georgetown	1,406	7.0%	\$18,750,227	\$36,642,263	\$1,221,409	\$22,207
Groveland	851	4.2%	\$11,348,822	\$22,178,212	\$739,274	\$21,122
Haverhill	8,406	41.6%	\$112,101,288	\$219,071,735	\$7,302,391	\$8,423
Ipswich	1,576	7.8%	\$21,017,325	\$41,072,693	\$1,369,090	\$45,636
Merrimac	789	3.9%	\$10,521,998	\$20,562,408	\$685,414	\$17,135
Newbury	672	3.3%	\$8,961,702	\$17,513,229	\$583,774	\$36,486
Newburyport	2,331	11.5%	\$31,085,903	\$60,749,014	\$2,024,967	\$69,826
Rowley	738	3.7%	\$9,841,869	\$19,233,279	\$641,109	\$27,874
Salisbury	849	4.2%	\$11,322,150	\$22,126,089	\$737,536	\$14,751
West Newbury	622	3.1%	\$8,294,909	\$16,210,162	\$540,339	\$41,565
Total	20,208	100.0%	\$269,491,176	\$526,647,825	\$17,554,928	\$13,769

¹Projected interest rate of 4% on short-term notes and 5% on bonds.

²Maximum borrowing term of 30 years per state law (G.L. c. 70B § 6).

How will my community fund this?

- A funding plan does not exist for this project.
- The vote on January 23rd is only a vote to authorize the Whittier Tech school district to borrow funds for this project.
- If approved, all 11 member cities and towns would independently need to figure out how to pay their share of the capital assessment (annual debt service).

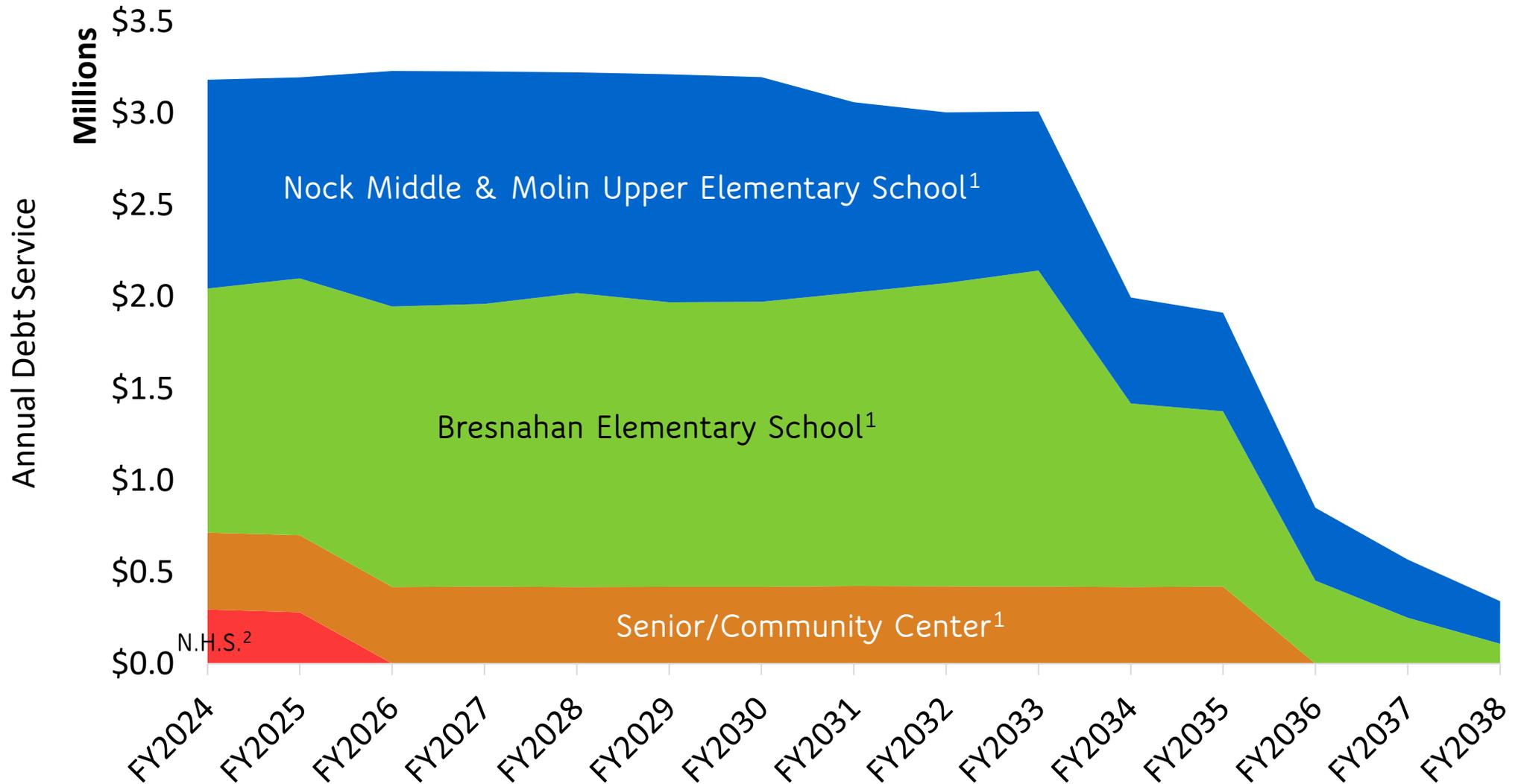
Potential Local Funding Options

- Option 1: Ask the voters to fund the annual debt service above the property tax “levy limit”
- Option 2: Account for the new debt service costs within existing budget by making budget reductions
- Option 3: Allocate other available funds to the extent possible (free cash, stabilization (rainy day) funds, new local option taxes, etc.)

Taxing Above the “Levy Limit”

- There are two ways to tax above the “levy limit”:
 - Override: Permanent increase to levy limit; raises funds for any municipal purpose
 - Debt Exclusion: Temporary increase to the levy limit; can only be used for capital projects; stays in place until the project’s debt service is paid off (e.g. 30 years)
 - Who decides to bring it to a vote?
 - Towns: Town Selectboard*
 - Cities: City Council with Mayor’s approval*
- Not currently scheduled or approved by any of the 11 member communities

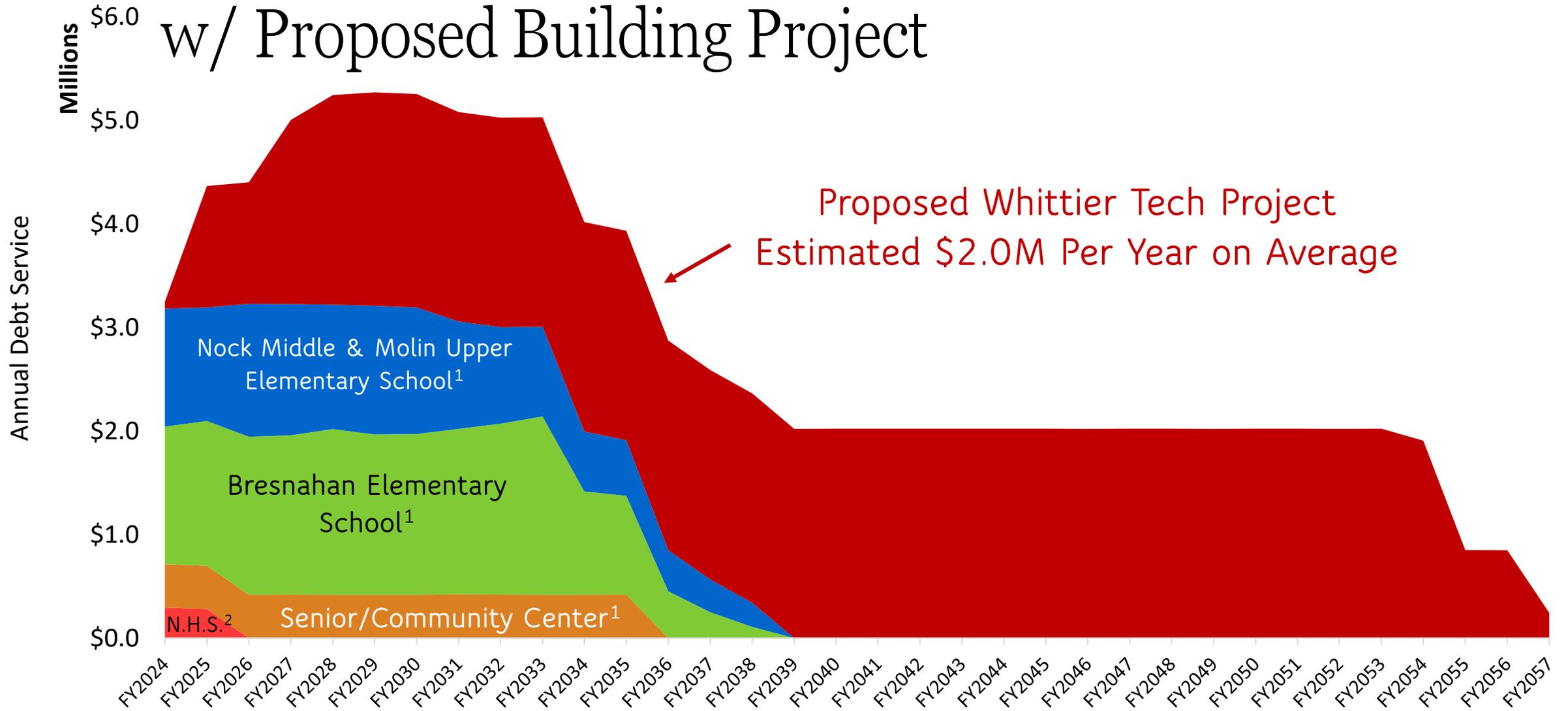
Newburyport's Current Debt Exclusions



¹Approved June 5, 2012.

²Approved November 2, 1999.

Newburyport's Current Debt Exclusions w/ Proposed Building Project

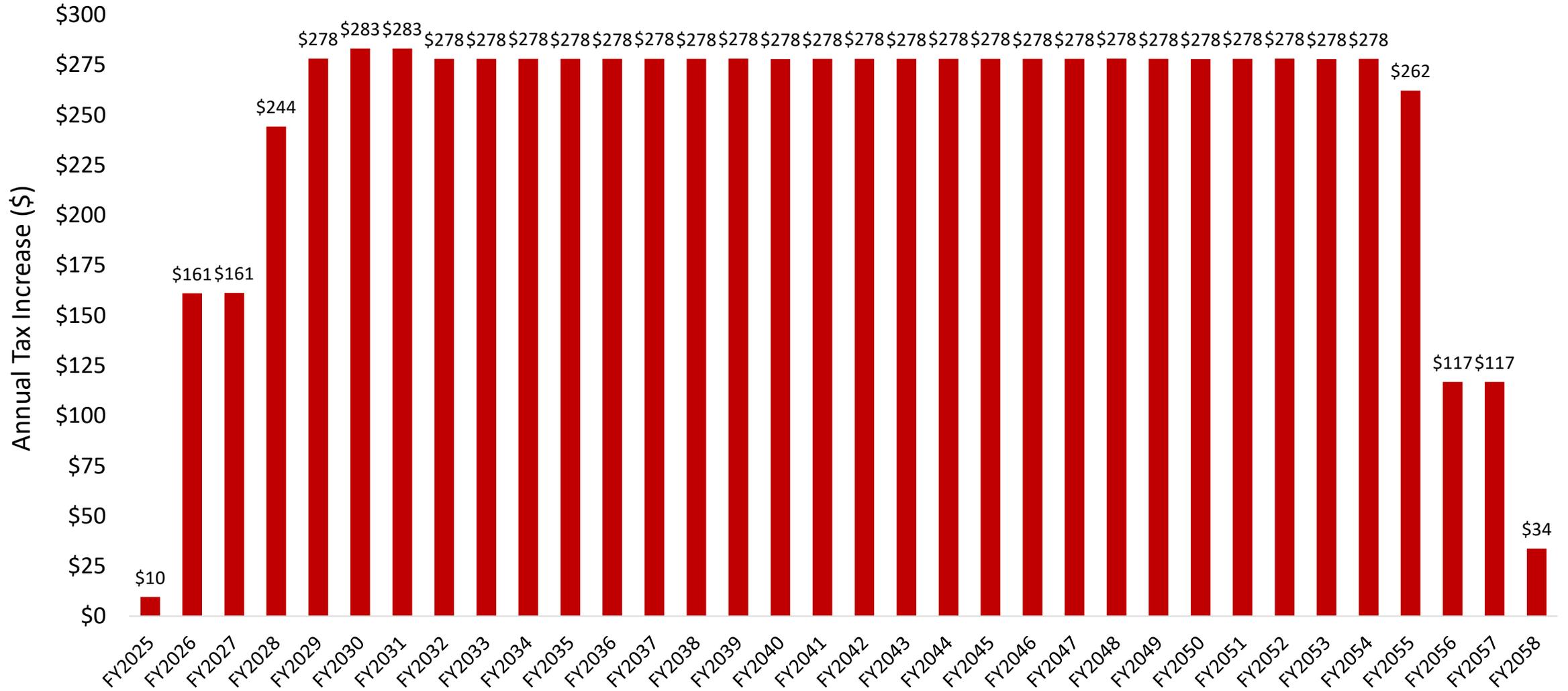


¹Approved June 5, 2012.

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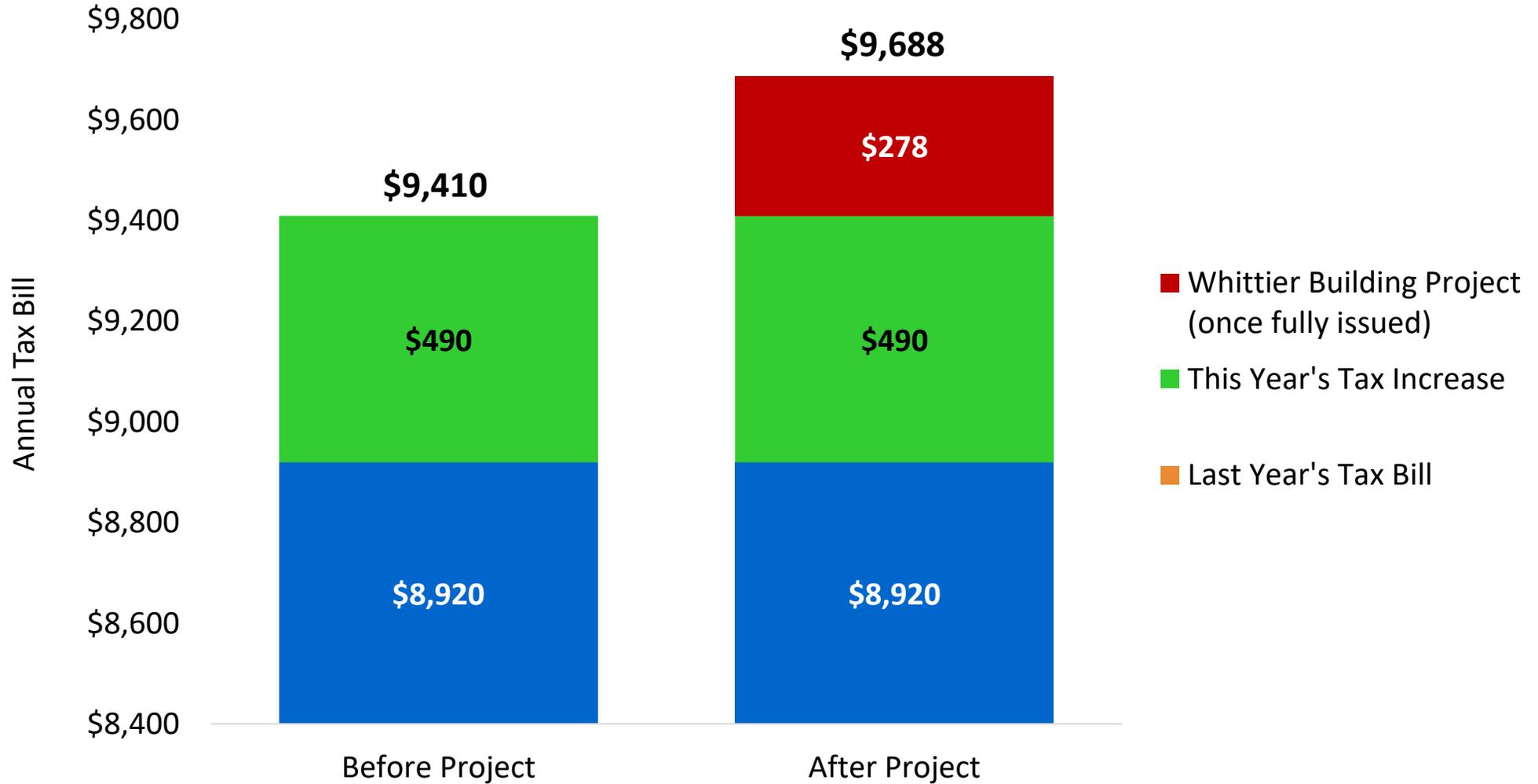
Newburyport's Average Single Family Tax Bill Impact

Once the debt is fully issued, the annual single family taxpayer would pay an additional \$278 per year



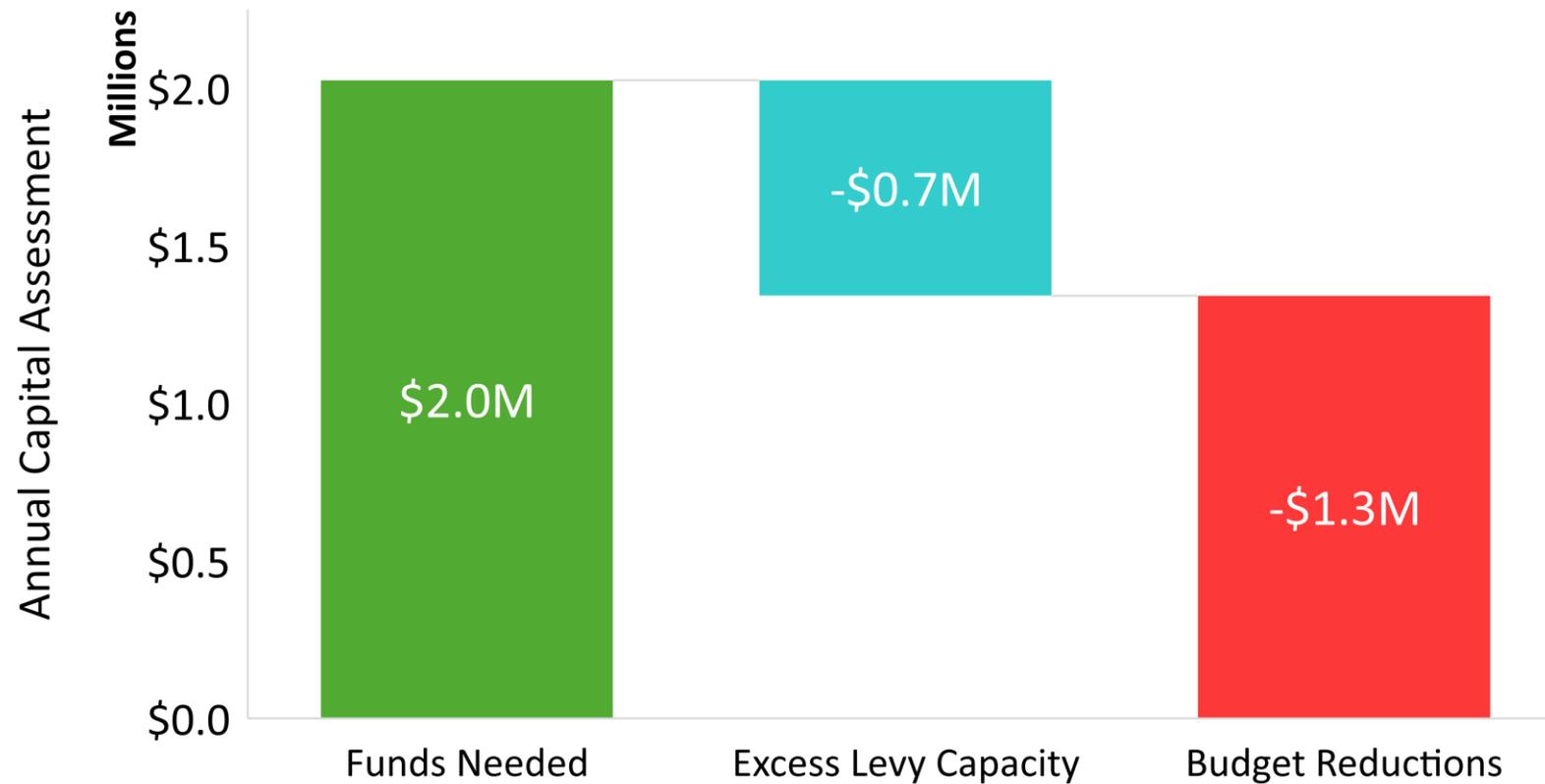
Based FY2024 average single family home valued at \$943,800.

Newburyport's Average Single Family Tax Bill Impact



Based FY2024 average single family home valued at \$943,800.

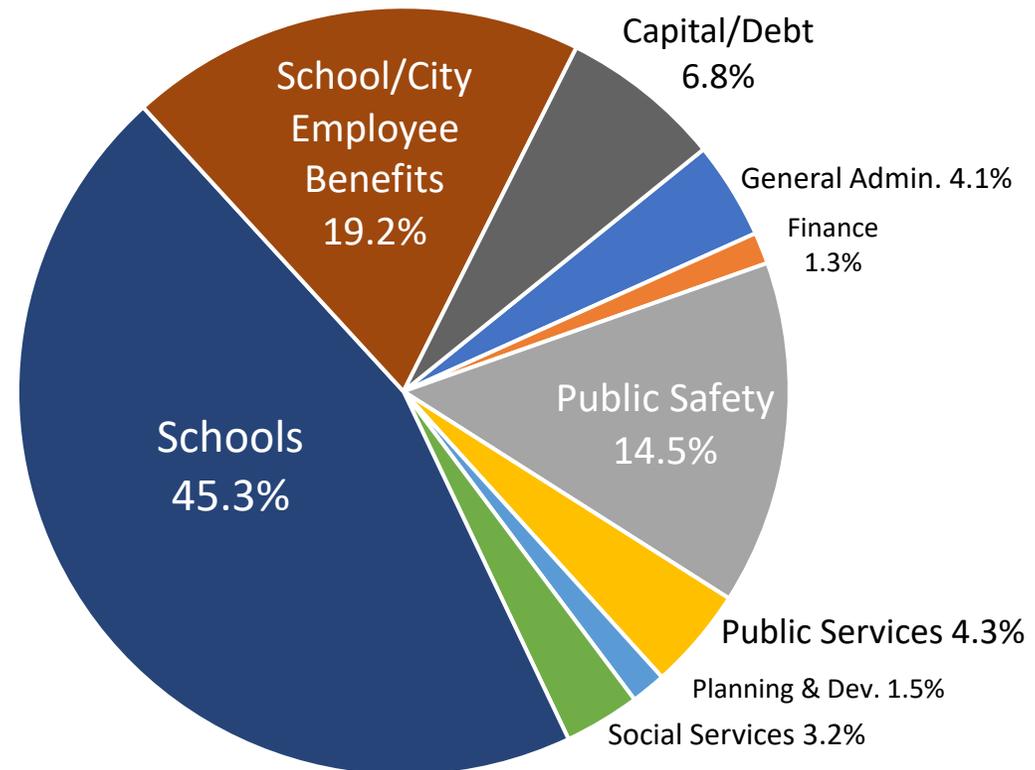
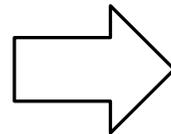
What if the Project Moves Forward without a Debt Exclusion?



What if the Project Moves Forward without a Debt Exclusion?

FY2024 Approved Budget

After utilizing all existing Proposition 2½ levy capacity, approximately \$1.3M in budget reductions would be needed once the debt is fully issued for the project.

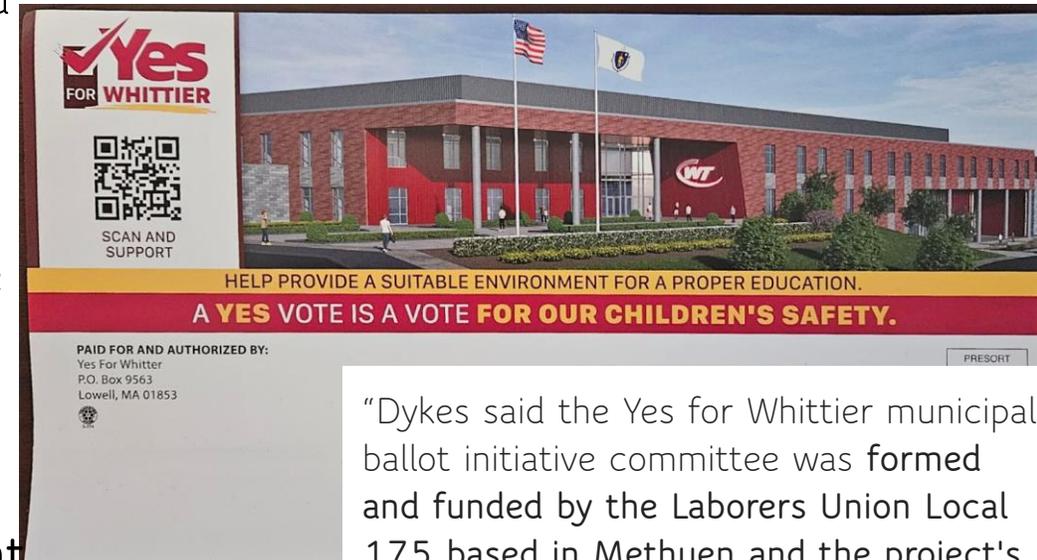


Voting Info

- January 23, 2024
- 11:00 am - 7:00 pm
- Local polling locations: check your local clerk's office
- Absentee ballots submitted by 7:00 pm to City/Town Halls
- District-wide simple majority vote → every vote counts!

What does a Yes vote mean?

- Whittier is authorized to incur a \$445M debt to fund the new building project
- All district municipalities incur a financial obligation based on the Capital Cost Allocation formula
 - Note: obligation is not dependent on passing an override
- “The District acknowledges that the MSBA’s grant program is a non-entitlement, discretionary program based on need determined by the MSBA, and **any** Project costs the District incurs in excess of any grant approved by or received from the MSBA will be the sole responsibility of the District.”



“Dykes said the Yes for Whittier municipal ballot initiative committee was formed and funded by the Laborers Union Local 175 based in Methuen and the project's general contractor, Consigli.” *Eagle Tribune December 28th 2023*

Project Governance

- Construction Management at-Risk
 - Contractor is awarded the project before the design is complete
 - No “independent” cost estimate or peer review has been conducted
 - Massachusetts OIG guidance about CMR states it is vulnerable to profit driven scope and cost increases because it eliminates competition and exposes taxpayer to excessive costs

Yes Vote Impact on Local Communities

- Funding mechanisms - 3 options:
 - Ask the voters to fund the annual debt service above the property tax “levy limit”
 - Account for the new debt service costs within existing budget by making budget reductions
 - Allocate other available funds to the extent possible (free cash, stabilization (rainy day) funds, new local option taxes, etc.)
- Long term impact
 - Reduced bond rating: like maxing out the city’s credit card
 - Compounded tax increases and indebtedness based on committed capital projects
 - Impact on future intended capital projects

What does a No vote mean?

- Pause the process and come up with a plan that works for Whittier and the District
- Will it cost more?
 - There is no default or automatic ability for Whittier to incur debt by starting a renovation project
 - Opportunity to create a more fiscally responsible plan with more input from sending communities
 - Opportunity to speak as a unified voice to advocate for Federal and State funding
 - Lower impact on other schools/projects in the sending communities by phasing in/responding to local needs

VOTE

January 23, 2024

11:00am - 7:00pm

Your regular voting location: check your
local clerk's office

This is a district-wide simple majority.

Every vote counts!