

MEMO

To: Newton School Committee

From: Diana Fisher Gomberg, Newton School Committee and EDCO Vice-Chair

Re: Amendment to EDCO's Articles of Agreement

Date: January 2, 2015

Please consider approving the attached amendment to the EDCO Articles of Agreement.

Since September when we approved the new Articles, the Lincoln School Committee voted to amend EDCO's Articles of Agreement, article VIII, section E, 4d, changing the approval requirement for a capital assessment from a simple majority of the EDCO Board to a 2/3 vote of the EDCO Board. This makes the voting requirement stricter than we approved in September. The Department of Elementary and Secondary Education (DESE) has indicated they will approve the amendment.

As you may recall, EDCO does not anticipate proposing any capital assessment since EDCO rents property and does not own any real estate. Nonetheless, DESE requires a capital assessment option to be included in all collaboratives' Articles of Agreement.

I have been participating all relevant EDCO meetings and I recommend approving this amendment. Matt and I discussed the timing of our vote and agreed that we can either vote at our upcoming meeting, on January 12th, or we can discuss the amendment that morning but wait to vote until January 26th if people prefer to wait.

If you have questions please contact me. Thank you.



To: EDCO Board of Directors and Advisory Council
Fr: Colleen Dolan
Re: Articles of Agreement amendment approved by the Board of Directors 11.13.14
Date: November 14, 2014

Recommended action for EDCO district school committees: To approve EDCO Collaborative's Articles of Agreement as amended.

Excerpt from Articles of Agreement Article VIII, Section E, with proposed amendment highlighted:

4. Capital: Capital is defined as fixed assets, including real property, with a unit cost of \$5,000 and a useful life of one year or more, debt payments and deposits into capital reserve. All capital costs to support collaborative operations will be included in the budget. Capital costs will be included in the calculation of the annual membership assessments, tuition rates, or fees for services, depending on the program(s) which the capital cost(s) will benefit.

The Board may create a capital reserve fund to support costs associated with the acquisition, maintenance, and improvement of fixed assets, including real property, pursuant to a capital plan.

- a. The establishment of a capital reserve fund shall be subject to the approval of two-thirds of the Member Districts.
- b. Deposits into the capital reserve shall be proposed and approved through the budget process, based on needs determined in the capital plan.
- c. In the event that the purpose for which the capital reserve was created requires modification, the collaborative Board shall revise its capital plan and provide notice to all member districts. If the member district does not vote to disapprove the revised capital plan within a 45-day period, that member district shall be deemed to have approved the revised capital plan. Two-thirds (2/3) approval of the Member Districts is required to revise the capital plan.
- d. **By an affirmative vote of 2/3 of the Board members**, the Board may vote to charge a capital assessment for capital costs not funded through the above process or not funded from available capital reserves. This capital assessment will be determined using the Enrollment Assessment formula previously articulated below under Annual Member Assessment.