

REGIONAL SCHOOL UNIT NO. 18
BOARD OF DIRECTORS
MAY 11, 2011
MINUTES

Chair Laura Tracy called the meeting of the Board of Directors to order at 7:17 p.m. in the cafeteria at the James H. Bean School in Sidney. Directors Lawrence Brown, Charley Clark, Lora Downing, Elwood Ellis, Doreen Leighton, Kerri Oliver, Dennis Purington, Rebecca Seel and Laura Tracy were present. Director Donna Doucette was absent. A quorum was declared. Also present at all or parts of the meeting were Gwen Bacon, Irene Belanger, Dan Bowers, Paula Callan, Carl Gartley, Karalynn Gibson, Monique Gilbert, Catherine Gordon, Kathy Harris-Smedberg, Mark Hatch, Linda Laughlin, Jennifer McGee, Jonathan Moody and Nancy Reynolds.

There were no delegations to be heard.

Purington/Downing The minutes of the May 4, 2011 meeting be approved as printed.
Motion carried unanimously.

The Superintendent's Report was updated. The public hearings regarding the 2011-12 school budget and cost sharing have begun. Hearings were held on May 9, 2011 (Oakland) and May 11, 2011 (Sidney). There has been light attendance at the hearings, and that may be attributed to the hard work that was begun a couple years ago, as well as a sign that the community is supporting the work that has been completed thus far. Commissioner of Education Stephen Bowen was in the RSU yesterday. He met with Kennebec Valley Superintendents in the morning and had a good meeting with community members in the evening. There were representatives from AOS 92 (Vassalboro, Waterville, Winslow), MSAD 49 (Fairfield), MSAD 54 (Skowhegan), RSU 18 and the Winthrop Public Schools. Superintendent Smith and Assistant Superintendent Linda Laughlin attended the 20th Annual School Law Workshop on May 6, 2011, sponsored by DrummondWoodsum, a seminar offered free of charge to their school clients. As a way to improve efficiencies, the RSU is implementing a Web-based time clock program, and training for that program began today. The RSU will begin using that system on July 1.

There were no additions to the agenda by the Chair or Directors.

Chair Laura Tracy announced that this year's Messalonskee High School yearbook is being dedicated to George Kohl. A dedication ceremony will be held on May 20, 2011 at 8:30 a.m. at the Performing Arts Center at Messalonskee High School.

Mr. Smith apprised the Board of the resignation of Bernadette Poitras, a nutrition worker at Messalonskee High School, effective June 3, 2011.

The Board reviewed a request from Jill Feeney, a biology teacher at Messalonskee High School, for a leave of absence for the 2011-12 school year.

Leighton/Downing The request from Jill Feeney, a biology teacher at Messalonskee High School, for a leave of absence for the 2011-12 school year be approved.

Motion carried unanimously.

Superintendent Smith explained the need to have the Board endorse the filing of various federal and state grant applications throughout the year.

Oliver/Brown The Board authorizes the administration to file applications for various federal and state grant programs throughout the 2011-12 school year.

Motion carried unanimously.

Superintendent Smith provided the Board with an update regarding kindergarten and pre-k enrollments. Last year the pre-k programs were filled to capacity in every School except China Primary School, and there was a waiting list at the Atwood and Belgrade Schools. Currently, the Atwood and Bean Schools are just about full, and Belgrade Central is full with a waiting list, with China Primary School still accepting enrollments. Jennifer McGee, Coordinator for the pre-k Program explained the selection process and the lottery system used. The selection process is listed below.

- Four Year Old Program Enrollment Packets will be made available to parents of four year olds (by Oct. 15 of the upcoming school year) by February 1 of each school year. Packets will be available at local school offices.
- Parents will be urged to return their packets on the Friday prior to April vacation.
- The selection process will be completed (for packets received) by May 8 of each school year.
- Four Year Old Programs will be advertised in the following locations: school newsletters, local newspapers (Kennebec Journal, Morning Sentinel, Townline), posters will be placed throughout community locations, town offices will have posters displayed, District website
- There will be fifteen student slots in each four year old program/ morning and afternoon...
- For packets received there will be a lottery process, ensuring priority is given to: 3 students receiving free and reduced lunch/ 2 students receiving special education services....remaining 10 slots will be selected through lottery (including all populations of students).
- If an available slot opens following the original selection, once again the lottery process will be used to fill that vacancy.
- Form letters will be sent to families receiving a pre-k slot indicating morning or afternoon placement.
- Form letters will be sent to families not receiving a pre-k slot who will remain on the "waiting list".

All students for whom the RSU received applications were enrolled by the May 8 deadline. The lottery process was used in Belgrade, and there are seven students on the waiting list.

Parents of students on the waiting list were sent letters and given the option of using a slot at the James H. Bean School, Atwood Primary School or China Primary School. Parents have taken advantage of that. Last year it was 1st come, 1st serve. This year it was decided that a lottery was more efficient and fair. By tomorrow the Atwood pre-k program will be completely full, and the James H. Bean School pre-k program will have two spaces still available. China is filling up day by day, and there is a waiting list in Belgrade. All four Schools now have thriving programs. Superintendent Smith noted that last year the RSU requested and was granted a waiver from the Department of Education to increase pre-k class sizes to 17 due to an unexpected large enrollment. A consideration has been adding half a program, but it may not be needed. The Educare program in Waterville and the Woodfords program may also enroll some RSU 18 children, and that may help alleviate the problem.

Ellis/Purington The administration be authorized to submit to the Commissioner of the Maine Department of Education a request for a waiver to increase pre-k class sizes within the RSU to 17 due to unexpected large enrollment.

Motion carried unanimously.

Linda Laughlin noted that the RSU has not yet received information from MaineGeneral Medical Center regarding flu clinics in RSU 18 Schools for the 2011-12 school year. But when information is received, the RSU would like to accept the opportunity to participate in the flu clinics.

Purington/Seel The administration be authorized to partner with MaineGeneral Medical Center to host flu clinics for the students of RSU 18 for the 2011-12 school year.

Motion carried unanimously.

Superintendent Smith reviewed with the Board the guidelines for the establishment of the George K. Kohl Memorial Scholarship.

Oliver/Leighton VOTED: The George K. Kohl Memorial Scholarship be established in honor of George K. Kohl, who dedicated his life to his students and to his profession. The scholarship is to be awarded to a graduating senior from Messalonskee High School who meets the following criteria.

- The student is pursuing his/her post-secondary education at the college/university level.
- The student demonstrates a genuine interest in pursuing his/her passion for learning, has been a good school citizen, and has contributed to the school environment in a positive way.

The intent is to award at least two (2) \$1,000 or more scholarships to graduating seniors of the Class of 2011, and at least two (2) \$1,000 or more scholarships annually thereafter, until the funds are depleted. In order to award these annual scholarships to deserving students, RSU No. 18 will establish a trust fund with a principal of \$3,904, with interest earnings and principal to be used for the scholarships until the fund is exhausted. In years with no qualified candidates, interest earnings will be applied to build the principal. Payment of this scholarship will be made

to students after successful completion of the students' first semester of college, and their intent to continue their education. This scholarship fund is open for donations, and those interested in making a contribution should contact the Superintendent of Schools. This scholarship shall be formally announced/acknowledged at commencement exercises at Messalonskee High School.

Motion carried unanimously.

Superintendent Smith reviewed with the Board details of the contract with Integrys Energy Services, Inc. for electricity for the China Schools. The previous China contract is due to expire. This is a short-term proposal to make the contract contiguous with all RSU 18 Schools.

Ellis/Clark The administration be authorized to enter into an agreement with Integrys Energy Services, Inc. for electricity supply for China Middle School and China Primary School as described.

Motion carried unanimously.

Superintendent Smith reviewed with the Board lease-purchase financing options for the installation of energy management equipment for RSU 18.

Ellis/Seel VOTED: 1. That the RSU accept and approve the proposal of Pinnacle Public Finance, Inc. dated February 15, 2011, as amended to date (the "Proposal") providing for the purchase of a qualified school construction bond to be issued by the RSU as a lease purchase agreement in the original principal amount of \$1,977,892 to finance an energy conservation project at RSU schools (the "Project") and that under and pursuant to sections 54A and 54F of the Internal Revenue Code of 1986, as amended (the "Code") and section 1001 of Title 20-A of the Maine Revised Statutes, as amended, the Chair of the School Board and the Treasurer acting singly be authorized to issue a qualified school construction bond lease purchase agreement in an aggregate principal amount not to exceed One Million Nine Hundred Seventy-Seven Thousand Eight Hundred Ninety-Two Dollars (\$1,977,892.00) to Pinnacle Public Finance, Inc. (the "Lease") to finance the Project, as aforesaid;

2. That under and pursuant to the provisions of section 1001 of Title 20-A of the Maine Revised Statutes, the Chair of the School Board and the Treasurer of the RSU, acting singly, be authorized to enter into the Lease, provided that the obligation to make annual payments under the Lease shall be subject to and conditioned upon the appropriation by the RSU's legislative body each fiscal year in which the payment is due under the Lease, and to execute and deliver the Lease, dated on or about June 1, 2011, said Lease to be issued substantially in the form presented to this meeting with such changes not inconsistent herewith as the Chair and the Treasurer, acting singly, may approve, the execution and delivery thereof to be conclusive evidence of such approval; and
3. That the School Board of the RSU hereby authorizes and directs the Superintendent to accept and execute the Agreement to Execute Lease with Pinnacle Public Finance, Inc., (the "Agreement");

4. That the Treasurer be authorized to enter into an escrow agreement to hold funds pending disbursement for the Project on such terms not inconsistent herewith as the Treasurer deems advisable;
5. That the Lease be designated as qualified school construction bonds;
6. That to the extent not inconsistent with this Order and the Bond Purchase Agreement, the Treasurer is authorized to select such date(s), maturity(ies), denomination(s), interest rate(s), place(s) of payment, form(s) and other details of the Lease, as the Treasurer determines to be in the interest of the RSU;
7. That the Lease may be made callable, with or without premium, prior to their maturity, in the discretion of the Treasurer;
8. That the Lease shall be executed in the name of the RSU by the Treasurer and attested by the Secretary and that any signature thereon may be by facsimile to the extent permitted by law;
9. That to the extent not inconsistent with this Order and the Bond Purchase Agreement, the Treasurer is authorized to provide for the sale of the Lease at such times and in such manner as the Treasurer determines to be in the interest of the RSU, to retain such services in the Treasurer's judgment are advisable in connection with such sale and to execute and deliver such contracts or agreements as may be necessary in connection therewith;
10. That the Lease, together with any investment earnings thereon, are appropriated to be used for the Project and for related costs of issuance, credit enhancement and accrued interest, if any;
11. That the Treasurer is authorized to covenant on behalf of the RSU that no part of the proceeds of the Lease shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause such Lease to be "arbitrage bonds" within the meaning of Section 148 of the Code and to covenant on behalf of the RSU to file any information report and pay any rebate due to the United States in connection with the issuance of the Lease;
12. That the Treasurer is authorized to covenant, certify and agree, on behalf of the RSU, for the benefit of the holders of the Lease that the RSU will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to insure the disclosure requirements imposed by Rule 15c2-12 of the Securities and Exchange Commission, to the extent applicable, are met;

13. That pursuant to section 6431 of the Code, as amended by the Hiring Incentives to Restore Employment Act (Pub. L. No. 111-147), the RSU irrevocably elects to receive subsidy payments from the Department of the Treasury under section 6431 in lieu of allowing a taxpayer that owns the Lease to qualify for credits against that taxpayer's federal income tax liability to the extent otherwise allowed under the Code;
14. That the Treasurer is authorized to execute and deliver such tax certificates, arbitrage and use of proceeds certificates and other documents and certificates as may, in the Treasurer's opinion, be necessary or convenient to effect the transactions herein authorized, to be in such form not inconsistent with this Order as the Treasurer may approve;
15. That the Chair of the School Board, Treasurer and other appropriate officials of the RSU, acting singly, are authorized to execute and deliver on behalf of the RSU such other documents and certificates as may be required in connection with the Lease, and to take all lawful actions necessary for the Lease to comply with the requirements for qualified school construction bonds within the meaning and for all purposes of Sections 54A and 54F of the Code;
16. That the Treasurer and other proper officials of the RSU, acting singly, are authorized and empowered in its name and on its behalf to do or cause to do all such other acts and things as may be necessary or desirable in order to effect the issuance, sale and delivery of the Lease in accordance herewith and any such prior action by them is hereby ratified and confirmed;
17. That if the Chair of the School Board, Treasurer, Secretary or any other RSU officer or official is for any reason unavailable to, as applicable, approve, execute or attest the Lease or any related financing documents, the person or persons acting in any such capacity, whether as an assistant, a deputy or otherwise, is authorized to act for such official with the same force and effect as if such official had herself/himself performed such act;
18. That if any of the officers or officials of the RSU who have signed or sealed the Lease shall cease to be such officers or officials before the Lease so signed and sealed shall have been actually authenticated or delivered by the RSU, such Lease nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Lease had not ceased to be such officer or official; and also any such Lease may be signed and sealed on behalf of the RSU by those persons who, at the actual date of the execution of such Lease, shall be the proper officers and officials of the RSU, although at the nominal date of such Lease any such person shall not have been such officer or official; and
19. That one hundred percent of the available project proceeds will be used for the Project as required by Section 54F(a)(1) of the Code.

20. That the School Board of Regional School Unit No. 18 (the "Issuer") hereby declares its official intent pursuant to Section 1.150-2(e) of the Income Tax Regulations that the Issuer reasonably expects to use the proceeds of Qualified School Construction Bond Lease Purchase Agreement financing to reimburse certain original expenditures from the Issuer's general fund, that were made within 60 days prior to adoption of this vote or that are to be made after adoption of this vote, which original expenditures have been or will be incurred in connection with an energy conservation project at District Schools (the "Project") and that the Issuer reasonably expects that the maximum principal amount incurred by the Issuer to finance the Project will not exceed \$1,977,892, and that this declaration of official intent shall be kept in the permanent records of the Issuer and shall be reasonably available for public inspection.

Motion carried unanimously.

Superintendent Smith reviewed with the Board the need for preauthorization for cost center audit adjustments. The statute currently allows movement of funds between cost centers within the year based upon Board action. Many times after the audit year ends, there may need to be some adjustments made. This authorization will allow the Superintendent to make changes after the close of the fiscal year to address audit related adjustments between cost centers.

Oliver/Brown VOTED: That pursuant to section 1485(4) of Title 20-A, the Superintendent of Schools be authorized after the close of the fiscal year in order to address audit related adjustments that may be needed to transfer not more than 5% of the total appropriation for any cost center in the current fiscal year operating budget to another cost center or among other cost centers, provided that the total current fiscal year operating budget shall not be increased by such transfers.

Motion carried unanimously.

Superintendent Smith reviewed with the Board the process for approving and signing of the warrants for the District budget meeting scheduled for May 25, 2011 and the District Budget Referendum scheduled for June 7, 2011.

Clark/Downing The warrant articles for the District Budget Hearing scheduled for May 25, 2011 be closed so that the articles may remain as presented or decrease.

Motion carried unanimously.

Ellis/Clark VOTED: That the warrant for the Regional School Unit No. 18 (the "Regional School Unit") Budget Meeting presented to the meeting be and is hereby approved and that a Regional School Unit budget meeting be and is hereby called for May 25, 2011 for the purpose of voting on the annual budget for the Regional School Unit for the 2011-12 fiscal year.

FURTHER VOTED: That the Warrant and Notice of Election for the Regional School Unit Budget Validation Referendum presented to the meeting be and is hereby approved, and that a Regional School Unit budget validation referendum be and is hereby called for June 7, 2011 for

the purpose of approving the budget adopted at the Regional School Unit budget meeting for the 2011-12 fiscal year.

FURTHER VOTED: That the form of Notice of Amounts Adopted at the Budget Meeting presented to this meeting be and is hereby approved, and that the Superintendent of Schools of the Regional School Unit is hereby authorized and directed to complete said Notice by adding the amounts approved by the voters for each expenditure category and the total school budget summary expenditure amount, all in accordance with the Regional School Unit budget meeting on May 25, 2011, and to cause copies of said notice, as completed, to be delivered to the municipal clerks of each municipality of the Regional School Unit for posting at the polling places for the June 7, 2011 Regional School Unit budget validation referendum.

Motion carried unanimously.

Ellis/Downing The meeting be adjourned.

Motion carried unanimously.

Time: 8:00 p.m.

Respectfully submitted,

Gary N. Smith
Superintendent of Schools

MEETINGS

May 12, 2011 – Public Hearing Regarding Proposed Budget for 2011-12 and Public Hearing for Cost Sharing – 6:00 p.m. – Belgrade Central School

May 16, 2011 – Public Hearing Regarding Proposed Budget for 2011-12 and Public Hearing for Cost Sharing – 6:00 p.m. – China Middle School

May 23, 2011 – Support Staff Negotiations – 4:00 p.m. – Central Office

May 24, 2011 – Messalonskee High School Band and Chorus Concert – 7:00 p.m. – Performing Arts Center – Messalonskee High School

May 25, 2011 – District Budget Hearing/Meeting – 6:00 p.m. – Performing Arts Center – Messalonskee High School

June 1, 2011 – Budget, Finance and Property Committee Meeting – 6:00 p.m. – Williams Elementary School

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June 1, 2011 – Educational Programming Committee – 6:00 p.m. – Williams Elementary School

June 1, 2011 – Regular Board Meeting – 7:00 p.m. – Williams Elementary School

June 2, 2011 – District Grade 5 Chorus Concert – 7:00 p.m. – Performing Arts Center –
Messalonskee High School

June 5, 2011 – Baccalaureate – 2:00 p.m. – Performing Arts Center – Messalonskee High
School

June 7, 2011 – RSU 18 Referendum Regarding Budget and Cost Sharing – 8:00 a.m. – 8:00 p.m.
– RSU 18 Towns

June 8, 2011 – Messalonskee Middle School Grades 7 & 8 Chorus and Band Concert – 7:00
p.m. – Performing Arts Center – Messalonskee High School

June 9, 2011 – Messalonskee High School Graduation – 7:00 p.m. – Augusta Civic Center

June 15, 2011 – Regular Board Meeting – 7:00 p.m. – Mid-Maine Technical Center

June 16, 2011 – District Staff Celebration – 5:30 p.m. – Waterville Elks' Banquet and
Conference Center