

**REGIONAL PLANNING COMMITTEE
MINUTES
July 23, 2008**

James C. Morse, Sr., Superintendent of Schools for the Messalonskee School District and a facilitator for the Regional Planning Committee (RPC), called the meeting of the RPC to order at 5:00 p.m. in the cafeteria at Messalonskee Middle School in Oakland.

Those in Attendance: Larry Brown, Doug Carville, Charles Clark, Elwood Ellis, Doug Eugley, Ralph Farnham, Jr., Lori Fowle, Jeffrey Frost, Monique Gilbert, Melanie Jewell, Dennis Keschl, Linda Laughlin, Michael McQuarrie, Elizabeth Mitchell, Robert Moreau, James C. Morse, Sr., Nora Murray, Constance Packard, Hugh Riordan, Debrajean Scheibel, Joel Selwood, Gary Smith, Gerald St. Amand, Jack Sutton, Michael Thurston, Laura Tracy, and Michael Tracy

Dr. Morse noted that getting to tonight has been 13 months of meetings and thanked everyone for their work and dedication. The plan being presented this evening is the first draft of the reorganization plan put to the public for consumption. He indicated that what Hugh Riordan, Gary Smith, Connie Packard, Linda Laughlin, and Nora Murray were looking for was to insure that the document accurately represents the work the RPC has done. The ultimate goal for tonight is to approve the plan that may be passed on to local school committees. It is fine to make amendments to this document. In writing the document the template from Drummond Woodsum, the districts' legal counsel, was followed faithfully. It reflects the work of the Executive Committee, and, hopefully, will receive the consensus of the RPC this evening.

Dr. Morse explained that the plan would be reviewed in order. The MSAD 47 Board will meet on August 6. The School Union 52 School Committees will meet on August 4 (Winslow), August 5 (Vassalboro), and August 18 or 19 (China). The China School Committee is looking to move the meeting up to the 5th or 6th.

Dr. Morse began the review of the Reorganization Plan for School Union 52 and MSAD 47. The proposed RSU operational date is June 2009.

Section 1

1. **The Units of School Administration to Be Included in the Proposed Reorganized Regional School Unit**

The proposed regional school unit includes the following school administrative units:

- A. Town of China, a municipal school unit
- B. Town of Vassalboro, a municipal school unit
- C. Town of Winslow, a municipal school unit
- D. Maine School Administrative District No. 47

There were no revisions made to Section 1.

Section 2

2. The Size, Composition and Apportionment of the Governing Body

Regional School Unit Composition (SU 52 & MSAD 47)

| Town | Population | # of Votes | # of Members | Votes per Member | % per Member | Equal weight per Member | Equal % per Member | Excess over Equal |
|-------------|-------------------|-----------------------|-------------------------|-----------------------------|-------------------------|--|-----------------------------------|----------------------------------|
| Belgrade | 3209 | 103 | 2 | 51 | 5.15% | 67 | 6.67% | -1.52% |
| China | 4408 | 141 | 2 | 71 | 7.07% | 67 | 6.67% | 0.40% |
| Oakland | 6202 | 199 | 3 | 66 | 6.63% | 67 | 6.67% | -0.03% |
| Rome | 1101 | 35 | 1 | 35 | 3.53% | 67 | 6.67% | -3.13% |
| Sidney | 3966 | 127 | 2 | 64 | 6.36% | 67 | 6.67% | -0.30% |
| Vassalboro | 4337 | 139 | 2 | 70 | 6.96% | 67 | 6.67% | 0.29% |
| Winslow | 7944 | 255 | 3 | 85 | 8.50% | 67 | 6.67% | 1.83% |
| Totals | 31167 | 1000 | 15 | | | | | |

The election of school board members will coincide with state and national elections in November of each year.

Newly elected board members will take their seats on January 2 following their election.

The 1st election of the RSU Board, assuming the consolidation is approved, will take place in December 08.

Dr. Morse noted that it had to be insured that no discrepancy between members would grow no more than 2%. This does allow for every town to have representation, and meets the letter of the law.

Dennis Keschl noted that the RPC had talked about census changes.

Jim Morse noted that the distribution of the weighted votes would be reviewed every five years, starting with 2001, given the 2010 census numbers would be collected, to insure representation is accurate.

Dennis Keschl asked if the following language could be added to Section 2. "The RSU will revisit census numbers every five years beginning in 2011."

This section was approved as revised, with the wording, "The RSU will revisit census numbers every five years beginning in 2011," added at the end of the section.

Section 3

3. The Method of Voting of the Governing Body (Revised 6/19/08)

Weighted Voting

The regional school unit board shall be composed of 15 members. Each municipality in the RSU shall elect the following number of its residents to serve on the Board, and their votes shall be weighted as follows:

The regional school unit board shall use weighted voting as follows:

| Municipality | Population | # of Board members | Votes per member | Total Vote % |
|---------------------|-------------------|---------------------------|-------------------------|---------------------|
| 1. Belgrade | 3208 | 2 | 103/2=51 | 10.3% |
| 2. China | 4408 | 2 | 141/2=71 | 14.1% |
| 3. Oakland | 6202 | 3 | 199/3=66 | 19.9% |
| 4. Rome | 1101 | 1 | 35 | 3.5% |
| 5. Sidney | 3968 | 2 | 127/2=64 | 12.7% |
| 6. Vassalboro | 4337 | 2 | 139/2=70 | 13.9% |
| 7. Winslow | 7944 | 3 | 255/3=85 | 25.5% |
| | | | | |
| TOTALS | 31167 | 15 | 1,000 | 100.0% |

Each board member shall serve a 3-year term, except that the initial terms of the members of the first regional school unit board shall be staggered, as provided by 20-A M.R.S.A § 1472-B.

Mr. Riordan reviewed Section 3, The Method of Voting of the Governing Body.

There were no revisions made to Section 3.

Section 4

4. The Composition, Powers and Duties of Any Local School Committees to Be Create (Revised 6/19/08)

Not Applicable

Mr. Riordan noted that Section 4, is not applicable to this RSU.

Section 5

5. The Disposition of Real and Personal School Property

Note: This plan assumes all property is transferred unless listed as an exception.

A. Real Property and Fixtures. Except as listed below, all real property interests, including without limitation land, buildings, other improvements to realty, easements, option rights, first refusal rights, and purchase rights, and all fixtures, of the school administrative units and of any school unions of which they are members shall be property of the region. The regional school unit board may require such deeds, assignments or other instruments of transfer as in its judgment is necessary to establish the region's right, title and interest in such real property and fixtures.

B. Personal Property. All other tangible school personal property, including movable equipment, furnishings, textbooks and other curriculum materials, supplies and inventories shall become property of the RSU as successor of the SAUs, except as listed below:

The regional school unit board may require such assignments, bills of sale or other instruments of transfer as in its judgment is necessary to establish the region's right, title and interest in such personal property.

C. Agreements to Share or to Jointly Own Property. In cases where real or personal school property is shared or is jointly used by an SAU with a municipality or other party, the regional school unit shall be the successor in interest to the SAU, unless that shared or jointly used property has been excepted in the above list of excepted real property or, as applicable, the above list of excepted personal property.

School related activities would be the Regional School Unit's first priority when assigning building and grounds.

The current practices & policies in place with municipalities related to use by town recreational programs will transfer to the new Regional School Unit, subject to the authority of the Regional School Unit Board to make changes to the extent permitted by law.

Dr. Morse noted that this was a conversation the RPC had early on where the RPC had agreed real and personal property would be transferred. It will take action of municipal governments to make that happen.

Mr. Riordan discussed the use of athletic fields and buildings. Policy and procedures are the same, where school-related activities would continue to take priority in terms of use. Also discussed was town recreation programs being transferred to the new RSU. It was noted that everything would continue as is in terms of how fields and buildings are used in the RSU at this point.

Joel Selwood asked if the RSU board could change this policy

Hugh Riordan noted that that is how the plan reads.

Jim Morse noted that what is being committed to is exactly what is currently being done. In SAD 47 there is a very strong commitment by our Board in using buildings and grounds. Because the commitments have been made to towns for building and field use, the fields cannot be adequately maintained due to the amount of time they are being used. Our policies are similar to those in SU 52 in terms of school-related activities being first priority and then town use second.

Lori Fowle asked if property that is not school property but town property is treated in the same manner.

Gary Smith noted that in Winslow it is.

Jim Morse noted the ball fields at Pleasant Point in SAD 47 as an example. When constructing Messalonskee Middle School, the District asked the town to use that property. The relationship with the Towns is very strong and supported.

Gerry St. Amand noted that an example in Winslow is the cross-country trails which are used mostly by the town and not the school.

Mike Tracy noted the Lions' Club uses the Williams Elementary School property for its annual Fun Fare. This is a non-profit agency.

There were no revisions made to Section 5.

Section 6

6. The Disposition of Existing School Indebtedness and Lease-purchase Obligations if the Parties Elect Not to Use the Provisions of Section 1506 Regarding the Disposition of Debt Obligations (Reference Exhibit 6A.)

A. Bonds, Notes and Lease Purchase Agreements That the RSU Will Assume. The RSU shall assume liability to pay the following bonds, notes and lease purchase agreements:

| Name of SAU | Year Issued | Original Principal Amount | Asset Acquired, Constructed or Renovated | Principal Balance as of July 1, 2008 | Final Maturity Date |
|--------------------|--------------------|----------------------------------|---|---|----------------------------|
|--------------------|--------------------|----------------------------------|---|---|----------------------------|

Additionally, other bonds, notes and lease purchase agreements issued by an SAU before the operative date of the RSU shall be assumed by the RSU, provided the SAU issued the bond, note or lease purchase agreement in the normal course of its management of the schools for an essential purpose to replace its existing facilities and existing items of equipment that are not longer serviceable or to keep them in normal operating condition.

B. Bonds, Notes and Lease Purchase Agreements That the RSU Will Not Assume. Pursuant to 20-A M.R.S.A. § 1506(4), the RSU does not assume the following bonds, notes and lease purchase agreements, which shall continue to be paid by the original members of the SAU indicated, and they shall serve as fiscal agent for the SAU for that purpose:

Not applicable

C. Defaulted Debt is Excluded from Being Assumed. Notwithstanding anything in this Plan to the contrary, except where legally required to do so, the RSU will not assume any bond, note or lease purchase agreement as to which the SAU is in breach or has defaulted.

D. Other Debt Not Assumed. Except as provided in this section of the Plan, the RSU will not assume liability for any bonds, notes or lease purchase agreements issued by an SAU prior to the operative date of the region.

Gary Smith noted that this issue is the one that is getting the most attention for the local only debt and the decision regarding that. All other debt notes, revolving renovation fund loans and lease purchase agreements will be assumed by the RSU.

Regarding defaulted debt and other debt not assumed, this is language that was created by Drummond Woodsum, legal counsel.

Dennis Keschl asked if numbers would be assigned to this section.

Jim Morse noted that there are exhibits that go with the Plan to support it.

Gary Smith noted that those exhibits would be ready for the school committee meetings.

Connie Packard noted that some information is audited and some information is unaudited. Those pieces will be clearly marked as to whether the information is from 2007 or 2008.

There were no revisions made to Section 6.

Section 7

7. The Assignment of School Personnel Contracts, School Collective Bargaining Agreements and Other School Contractual Obligations (See Exhibit 7A.)

A. School Personnel Contracts. A list of all written individual employment contracts to which each of the existing SAUs is a party is attached as Exhibit 7-A. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date, and their contracts shall be assumed by the RSU on the operational date. This provision does not prevent the existing SAUs from terminating or nonrenewing the contracts of employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

A list of all employees of the existing SAUs who do not have written individual employment contracts is attached as Exhibit 7-B. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date. This provision does not prevent the existing SAUs from terminating employment of the employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

The duties and assignments of all employees transferred to the RSU shall be determined by the Superintendent of the RSU or his/her designee.

- B. School Collective Bargaining Agreements. The following collective bargaining agreements to which the SAUs are a party shall be assumed by the regional school unit board as of the operational date:

| SAU | Positions Included in Bargaining Unit | Next Termination Date | Represented by |
|----------------|---|-----------------------|----------------|
| SAD 47 | Teachers | August 31, 2011 | MEA |
| SAD 47 | Custodians, Ed Techs, Food Service Personnel | June 30, 2008 | MEA |
| SAU China | Teachers | August 31, 2008 | MEA |
| SAU China | Ed Techs | August 31, 2008 | MEA |
| SAU Vassalboro | Teachers | August 31, 2009 | MEA |
| SAU Vassalboro | Ed Techs | August 31, 2009 | MEA |
| SAU Winslow | Teachers | August 31 2010 | MEA |
| SAU Winslow | Ed Techs, Secretaries, Food Service Personnel | August 31, 2009 | MEA |
| SAU Winslow | Custodians | June 30, 2009 | Teamsters |

All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the regional school unit board as of the operational date.

- C. Other School Contractual Obligations. A list of all contracts to which the existing SAUs are a party and that will be in effect as of the operational date is attached as Exhibit 7-C.

The RSU shall assume the following contracts as of the operational date:

| SAU | Contracting Party | Type of Contract | Expiration Date |
|--------|----------------------------|----------------------|-----------------|
| SAD 47 | Coca Cola (Food Service) | Drinks | 7/28/2008 |
| SAD 47 | Pepsi @ MHS | Drinks | 2016 |
| SAD 47 | Pepsi @MMS | Drinks | 2012 |
| SAD 47 | MePower Options MMS | Electricity | 12/01/08 |
| SAD 47 | MePower Options ALL Others | Electricity | 12/01/08 |
| SAD 47 | City of Waterville | Bus Maintenance/Fuel | 2013 |
| SAD 47 | Mid Me Communications | Telecommunications | 7/2011 |
| | Me State Billing | Medicaid Billing | |
| | Get Best Bid | Purchasing Portal | 2011 |

| SAU | Contracting Party | Type of Contract | Expiration Date |
|------------|--------------------------|-------------------------|------------------------|
| China | B & P Garage | Bus Maintenance | 2011 |
| | Integrays | Power | |
| | SPC/Ikon | Copiers | |
| | Me State Billing | Medicaid Billing | |
| | Siemens | Building Maintenance | |
| | Honeywell | Performance Contract | |
| | Fairpoint | Telephone Service | |
| | | | |
| Vassalboro | Bellows Garage | Bus Maintenance | |
| | Integrays | Power | |
| | SPC/Ikon | Copiers | |
| | Me State Billing | Medicaid Billing | |
| | Siemens | Building Maintenance | |
| | Siemens | Energy Performance | |
| | Fairpoint | Telephone Service | |
| | | | |
| Winslow | Bellows Garage | Bus Maintenance | |
| | Honeywell | Energy Performance | |
| | Integrays | Power | |
| | SPC/Ikon | Copiers | |
| | Me State Billing | Medicaid Billing | |
| | Siemens | Building Maintenance | |

[Note: The termination dates of all contracts should be included. If any of them are terminable at will – at any time for any reason, that should be indicated.]

The list noted above represents, to the best of our knowledge, all multi-year contracts. Should any have been omitted through oversight, they, too, will be honored.

Jim Morse noted that regarding unions, there are no differences other than the representation of custodians. In MSAD 47 they are represented by the MEA, and in School Union 52 (Winslow) they are represented by the teamsters. Other than that, everybody is represented by the MEA.

Joel Selwood asked if bus drivers were represented by a union.

Jim Morse indicated that bus drivers are not unionized in any of the school units. Gary Smith will be completing the contract dates for School Union 52 towns. It was noted that these are multi-year contracts.

There were no revisions made to Section 7.

Section 8

8. The Disposition of Existing School Funds and Existing Financial Obligations, Including Undesignated Fund Balances, Trust Funds, Reserve Funds and Other Funds Appropriated for School Purposes.

A. Existing Financial Obligations. Pursuant to Section XXXX-36(5), the disposition of existing financial obligations is governed by this plan.

Existing financial obligations shall include the following:

- (i) all accounts payable;
- (ii) to the extent not included as accounts payable, any financial obligations which under generally accepted accounting principles would be considered expenses of the SAU for any year prior to the year the RSU becomes operational, whether or not such expenses were budgeted by the SAU in the year the obligations were incurred, including, for example, summer salaries and benefits; and
- (iii) all other liabilities arising under generally accepted accounting principles that can be reasonably estimated and are probable.

Each SAU shall satisfy its existing financial obligations from all legally available funds. If an SAU has not satisfied all of its existing financial obligations, the SAU shall transfer sufficient funds to the RSU to satisfy its remaining existing financial obligations, and the regional school unit board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the RSU sufficient funds to satisfy its existing financial obligations, then, to the extent permitted by law, the regional school unit board may satisfy those obligations from balances that the SAU transfers to the region. If the available balances transferred are insufficient to satisfy the SAU's existing financial obligations, or are not legally available for that purpose, the regional school unit board may take any action permitted by law so that all of the municipalities of the RSU are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the regional school unit board may satisfy the unpaid existing financial obligations of an SAU in the same manner and with the same authority as for unassumed debt under the provisions of 20-A M.R.S.A. § 1506(4).

Additionally, to the extent permitted by law, if in the judgment of the regional school unit board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the regional school unit board also shall be authorized to raise additional amounts for the purpose of making equitable distributions (which may be made in the form of credits against assessed local shares of the region's approved budget) to those RSU members that would otherwise bear costs attributable to unsatisfied existing financial obligations of an SAU for which they had no financial responsibility. The intent of the preceding sentence is that financial responsibility for

unsatisfied existing financial obligations of an SAU be borne by its members and not by the other members of the region.

B. Remaining Balances. The balance remaining in the SAU's school accounts after the SAU has satisfied existing financial obligations in accordance with this plan shall be paid to the treasurer of the regional school unit, verified by audit and used to reduce that SAU's contribution as provided by Section XXXX-43(4). Unless the Legislature otherwise provides, in the case of a school administrative district, community school district or other regional school district (collectively, "district"), the school board of the district shall specify in writing to the regional school unit board how the RSU shall allocate transferred remaining balances between district members. Unless the Legislature otherwise provides, if the district board has not specified in writing to the regional school unit board how this allocation shall occur, then the transferred remaining balances shall be credited to the district's members in proportion to their respective shares of that portion of the total local costs of the RSU allocable to all of the district's members for the operational year.

1. The undesignated general fund balance as of June 30, 2009 in MSAD 47 that represents summer payroll shall be applied to the unfunded payroll liability. The remaining undesignated fund balance, after funding the payroll liability, will be used to offset the assessment of the former SAD 47 towns for FY10 budget.

2. The undesignated general fund balances as of June 30, 2009 for China, Vassalboro and Winslow shall be applied to each town's unfunded school payroll liabilities. The remaining unfunded payroll liability shall be assessed to those towns over an eight-year period or until such time as the unfunded payroll liability is met.

3. Special revenues and other grant revenues fund balances shall stay with a given school or school system in which they were originally intended until expended (Reference Exhibit 8-B.3).

Transfers of remaining balances may occur within the period specified by Section XXXX-43(4), or, as may be preferable in the case of a district, at any time before the district has closed its accounts and ceased normal operations.

C. Reserve Funds. SAUs shall transfer remaining balances of reserve funds to the regional school unit. Unless otherwise provided by applicable law, a transferred reserve fund shall be used in accordance with its original purpose to benefit a school or schools of the SAU. Transferred reserve funds shall be subject to Title 20-A M.R.S.A. § 1491, except that the transfer of funds in a reserve fund or a change in purpose of the fund may only occur in such manner that the funds continue to benefit the members of the SAU that transferred that reserve fund to the region.

D. Scholarship Funds. SAUs shall transfer remaining balances of scholarship funds to the region. Scholarships shall be limited to the original pool of potential recipients unless otherwise provided by the donor or by applicable law.

E. Trust Funds. SAUs shall transfer trust funds to the region. The regional school union board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.

Connie Packard noted that these are items that would normally be on a balance sheet, such as fee statement of liabilities and local divisions of available balances. This is part of the original template that came out in the statute. Remaining balances are fund balances in all of the accounts. It needs to be insured that there are sufficient balances to take care of all liabilities. The biggest liability is the summer accrual payroll. In MSAD 47 there is a fund balance to cover that. By June 2009 that will have been accrued out. School Union 52 towns do not have sufficient fund balances to cover payrolls. There would be an eight-year plan to fund the summer payroll. All trust funds will also be included, with the description of where monies are located and the amount of the funds. Everything will be identified with amounts. Some might be June 30, 2007 or June 30, 2008, depending on where districts are in the auditing process.

Gary Smith noted that because of the changes at the federal level with respect to Medicaid, and because Medicaid funding is expected to continue through this year, it is expected that fund balances will be higher. This will help jump start getting that summer pay liability fund and will also help with the eight-year transition plan.

Lori Fowle asked if this amount was being taken off the top.

Gary Smith noted that it is, with the funds being assessed directly to those towns.

There were no revisions made to Section 8.

Section 9

9. A Transition Plan That Addresses the Development of a Budget for the First School Year of the Reorganized Unit and Interim Personnel Policies (Revised 6/19/08.)

A. The initial RSU board shall be elected in December 2008 to take office January 2, 2009 in accordance with 20-A M.R.S.A. § 1472-A and shall have the transitional powers and duties provided by 20-A M.R.S.A. § 1461-A. Board members elected shall draw lots to determine the lengths of the initial terms, which shall be for the following periods in addition to the transitional period from December 2008 to November of 2009:

Belgrade: One one-year term; one two-year term.

China: One two-year term; one three-year term.

Oakland: One one-year term; one two-year term; one three-year term.

Rome: One three-year term.

Sidney: One one-year term; one two-year term.

Vassalboro: One one-year term; one three-year term.

Winslow: One one-year term; one two-year term; one three-year term.

All terms after the initial terms shall be for three years as provided by law. The following is an illustration of the initial terms and subsequent three-year terms:

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|------------|---|--------|--------|--------|--------|--------|--------|
| Belgrade | 2 | Yellow | Yellow | Red | Red | Red | |
| China | 2 | Yellow | Yellow | Yellow | Red | Red | Red |
| Oakland | 3 | Yellow | Yellow | Red | Red | Red | |
| Rome | 1 | Yellow | Yellow | Yellow | Red | Red | Red |
| Sidney | 2 | Yellow | Yellow | Red | Red | Red | |
| Vassalboro | 2 | Yellow | Yellow | Yellow | Red | Red | Red |
| Winslow | 3 | Yellow | Yellow | Red | Red | Red | |

B. Transition Plan for Personnel Policies. All personnel policies existing in the previous school administrative units shall continue to apply to the same employment positions after they become part of the regional school unit. The regional school unit board and superintendent will develop and adopt region-wide policies in accordance with applicable law.

C. All China, Vassalboro, Winslow, MSAD 47, and SU 52 policies will continue to apply to the schools, employees and students to which they applied prior to the operational date until such time that the regional school unit board adopts uniform policies for the entire RSU.

Jim Morse noted that the transition plan for developing a budget plan calls for election of RSU Board in December and taking office January 2, 2009. The terms of the Board are listed. Personnel policies will continue into the new RSU until the RSU develops policies as required by law. All policies would continue to apply to both employees and students until such time the RSU develops and accepts new policies.

Dennis Keschl noted that current practice is that Board members take office in March and asked if this section would basically nullify that practice.

Jim Morse indicated that this would make it a standard approach across the RSU. Everybody would be elected in November.

There were no revisions made to Section 9.

Section 10

10. Documentation of the Public Meeting or Public Meetings Held to Prepare or Review the Organization Plan.

Minutes of the following public meeting(s) held to prepare or review the reorganization plan are attached as Exhibit 10-A:

| Date of Public Meeting | Time | Location |
|-------------------------------|-------------|---|
| August 22, 2007 | 5:00 p.m. | MSAD #47 Central Office, Oakland |
| September 6, 2007 | 5:00 p.m. | Messalonskee Middle School, Oakland |
| September 20, 2007 | 5:00 p.m. | Messalonskee Middle School, Oakland |
| October 4, 2007 | 5:00 p.m. | Mid-Maine Technical Center, Waterville |
| October 18, 2007 | 5:00 p.m. | Winslow Elementary School, Winslow |
| November 1, 2007 | 5:00 p.m. | Messalonskee Middle School, Oakland |
| November 15, 2007 | 5:00 p.m. | George J. Mitchell School, Waterville |
| December 6, 2007 | 5:00 p.m. | Vassalboro Community School, Vassalboro |
| February 14, 2008 | 5:00 p.m. | Belgrade Central School, Belgrade |
| March 27, 2008 | 5:00 p.m. | Winslow High School, Winslow |
| May 1, 2008 | 5:00 p.m. | Messalonskee High School, Oakland |
| June 17, 2008 | 5:00 p.m. | Vassalboro community School, Vassalboro |
| July 23, 2008 | 5:00 p.m. | Messalonskee Middle School, Oakland |

Copies of minutes of the above-listed meetings will be provided as Exhibit 10-A of the Plan.

There were no revisions made to Section 10.

Section 11

11. An Explanation of How Units That Approve the Reorganization Plan Will Proceed if One or More of the Proposed Members of the Regional School Unit Fail to Approve the Plan.

If one or more of the proposed members of the RSU fail to approve the plan, the SAUs that approve the plan shall proceed as follows:

A. **School Board Approval** - If one or more of the school boards of the proposed members of the RSU does not agree to submit this plan to the Commissioner for approval, the plan will be revised by the remaining RPC members and resubmitted to the participating SAU school boards for approval by August 29, 2008.

Should an SAU school board reject the plan and request that the remaining RPC members consider specific change(s) to the plan, and if the remaining RPC members are willing to accept the change(s), then the revised Plan will be resubmitted to the SAU school boards for approval by August 29, 2008.

B. **Referendum Results** - If any SAU rejects the plan at referendum, then the remaining SAUs will hold a joint meeting by December 4, 2008 of the school board and RPC members to decide how to proceed in a manner that conforms to the consolidation law. Should the group decide to revise the plan, it will be resubmitted to the voters at referendum on or before January 27, 2009.

Caution: Approval of a RSU when less than 100% of the SAUs approve the plan may affect board composition, cost sharing, available schools and facilities, levels of indebtedness, student population and other aspects of the regional school unit.

Conversely, failure to include such a provision will result in a failure of the plan if it is disapproved by the voters of any school administrative unit within the proposed regional school unit.

Jim Morse noted that the law asks RPCs to address the referendum results. We tried to articulate what would be recommended if one of the school boards decides not to support the plan or if one of the towns does not support the plan.

Regarding school board approval, essentially the plan already exists. If one school board/committee decides not to approve the plan at the school board level, the remaining members will get language modified, change financial plan accordingly, and get a revised plan back to respective school committees.

Gerry St. Amand asked what would happen if one of the boards/ school committees wanted the opportunity to support the plan but only if a particular change were made.

Jim Morse noted that if it is one issue the school committee/board could have one more bite of the apple before divorcing itself from the process.

Dennis Keschl asked what would happen should school committees/boards have that second bite of the apple and the plan still is rejected.

Jim Morse noted that if it were SAD 47 we would want China, Vassalboro and Winslow to consider the concern. It would be up to those SAUs to indicate whether the concern makes sense and whether the issue may be resolved by bringing it back to the table.

Libby Mitchell noted that she finds it rather intriguing that a school board has veto power before the plan goes to the public. It is not a school board decision now.

Jim Morse noted that the Legislature says that the school board authorizes that the plan be sent to the commissioner.

Libby Mitchell asked if this came from legal counsel or the statute. It certainly seems to be against the spirit. The idea of this whole process was to have discussion. The selectmen here at the table might have some concerns. Maybe that stamp of approval is fine.

Jim Morse noted that whatever is done at the RPC level has to go before the school boards for their blessings.

Dennis Keschl asked if school boards have to approve the plan or just put it out to vote.

Jim Morse noted that school boards might choose not to submit the plan. The result is the board will have to come up with an alternative plan or face financial penalties related to not conforming to the statute.

Lori Fowle suggested that when the plan is being reviewed by school boards that RPC committee members and selectmen are at those meetings so that when questions are asked RPC members representing the towns may answer questions when the plan is voted on.

Jim Morse noted that that is a great idea because having those municipal officials and Committee members at that particular meeting would add credibility.

Lori Fowle noted that, for example, if she were the only one that was at meetings, then it really would be her own opinion. Get as much representation from this Committee at those meetings.

Gary Smith noted that this being an important Committee decision, he asked members of the RPC to look at Section 13-E of the plan. It is the law and what the vote needs to be. It is the governing body of the school administrative unit, as noted in Section 13-E on page 21 of the plan.

Libby Mitchell noted that what Lori Fowle described makes it work. That is why she asked if a school board has veto power. When the school boards are having their deliberations, people should be invited to come in so that they feel part of the process and can express their voices to the school boards.

Jim Morse noted that this group is also representing the school committees, but until this plan is put before the voters or school committees, that will be when the voters indicate whether or not we should go forward. That is where representation stops. The plan has two hurdles: RPC approval tonight and then school board approval.

Dennis Keschl noted that his concern is that people will be forced into making decisions as to whether to accept the plan or not, and there will be consequences.

Lori Fowle noted that if a town were to vote something down for a purpose, and if this condition can be met and it will be approved, then the issues should be settled. In some of these cases if one town were to vote it down, it has a huge impact. If Oakland decides to vote it down, then where is the impact? If Winslow votes it down, then where is the impact? We have to understand it completely before we put it out to voters. There is that chance that some school committees will take the penalties.

Consensus was reached in approving Section A, "School Board Approval".

Jim Morse reviewed Section B, "Referendum Results". School Board and RPC members meet jointly. Timelines become a major factor. The finances will change significantly. The plan is to get leaders from municipal governments to work together regarding the financial relationships. The cost sharing arrangements will look different if one unit does not join. There may need to be one big meeting to determine whether remaining SAUs will go forward without that unit or one new plan to be presented to the voters.

Jim Morse noted that there are 24 different factors related to the financial formula. There are 24 different financial plans that can be developed in these SAUs. Action strategies need to be developed for each one of the 24 factors. That is why the current language speaks as it does. He asked if there was consensus.

Under Section B, "Referendum Results," the word "remaining" was added to the sentence, "If any SAU rejects the plan at referendum, the remaining SAUs will hold a joint meeting by December 4, 2008 of the school board and 'remaining' RPC members to decide how to proceed in a manner that conforms to the consolidation law."

Section 12

12. An Estimate of the Cost Savings to be Achieved by the Formation of a Regional School Unit and How These Savings Will Be Achieved.

We estimate that the formation of the regional school unit will result in the following cost savings during the first three years of operation:

The current SAU budgets for FY09 have been reviewed by the RPC. Savings have been identified in Systems Administration and Special Education that will be achieved by the end of the third year of the RSU operation. These savings approach \$244,740. In addition the RPC analyzed MDOE cost centers and have been able to provide a range of costs per SAU for the new RSU board to use as a starting point in creating operation efficiencies. (Reference Exhibit 12.)

Jack Sutton – In reference to Article 12, "An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved," It's been my understanding at these meetings for the last 12 months that this process was formed by the State in order to find real cost savings in school operation. The RPC has spent a lot of time in how to make a school system work, not much time in cost savings identification. Identifying \$244,740 in cost savings is totally inadequate. It is a travesty. Without harming the educational process, what has the RPC been doing for the last 13 months? \$244,740 is less than 1% of the total combined budgets. He said he thought the RPC was going to expand upon this by going down the MDOE categories within ranges and costing it out so that the RPC could come up with a framework it could pass to an RSU Board of where real savings are.

Jim Morse noted that that work would be completed as an exhibit to the plan. The RPC has done tremendous work in getting to where it is today.

Jim Morse referred to the spreadsheet of categories and costs per students. The SAUs do try to get a handle on cost per student or cost per mile in other cases. There are significant places where one school unit's cost per student is less than another unit's cost per student. At any given point it could be China, Vassalboro, Winslow, or Messalonskee who has the lowest cost per student or highest cost per student. One of the approaches that will be taken is to direct the RSU Board to investigate why there would be dramatic changes in cost and to see if those efficiencies could be applied to the RSU as a whole.

Gary Smith noted that when looking at special education and per student cost, for example, between Winslow, China, Vassalboro, and Messalonskee, there is a range of about \$6,000. What is going on? What happens is China and Vassalboro really pay tuition to an RSU school for about 100 students. There are costs in their budgets approaching \$1 million. Winslow has a cost structure that supports 100 more students than it has resident students. \$54,757,994 is the total RSU budget. Above and beyond that the bill talks about where operational efficiencies might come.

Jack Sutton noted that this is a big step in the right direction. He indicated that there need to be some numbers that can credibly support the idea that this is a cost savings proposition.

Mike McQuarrie asked if the real \$1 million savings is based on students receiving special education services.

Gary Smith indicated that the savings is from regular education and special education students. It is the tuition cost and revenue received. If China and Vassalboro are part of the RSU, they do not have to pay tuition. It is 60 – 65% regular that is not and 35 – 40% special education that is not. The \$1 million is looking at numbers from last year. It is not known how many students there will be or what the special education mix will be until the year starts.

Doug Eugley asked if that is money that goes away or if it shifts from revenue.

Gary Smith noted that that tuition would go away. That revenue source will still be there. That revenue that China and Vassalboro raise supports the additional staffing at Winslow for 100 students. So, that expense disappears.

Gerry St. Amand noted that the intent, purpose, drive, focus is to put SAUs on a path where savings can be achieved, mostly in administrative areas. There is a law passed that says SAUs need to do this. Currently, SU 52 and MSAD 47 are operating separately to achieve the same thing. Let's come together. More money will be saved into the future.

Jack Sutton said he thinks the RPC should come up with approximate numbers for each of these categories. How can we operate differently in the future? It's been said that there is a potential of 3%, 5%, 10%, savings in individual categories just through the process of consolidation. There need to be real numbers to take to the people. Mr. Sutton noted that the intent is to do it for the purpose for which the Legislature intended – primarily cost savings.

Doug Eugley noted that the Legislature never addressed the educational process. That \$36 million was for the Governor to meet his budget. That was done over 28 calendar days. There are certainly some savings.

Elwood Ellis noted that there would be financial penalties if SAUs don't consolidate.

Dennis Keschl noted that the Legislature and Governor gave a number \$36 million. How can we move forward with that lack of daringness to move forward – a 2.5% savings on a \$50 million budget? It is not known what the school board will come up with. How can the RPC comfortably and faithfully fulfill the task here of savings at the comfortable level that the RPC is willing to accept?

Bob Moreau indicated that the Board members and committee members have done a fantastic job. Let the taxpayers vote.

Jim Morse that when the Town of Rome was paying tuition to SAD 47, it was actually paying more money than it is now on a per student basis. It changed the funding formula dramatically for the Town of Rome. That will drive costs down by itself in terms of tuition.

Jeff Frost asked if the existing school board would develop a budget for the RSU.

Jim Morse noted that the Board that is elected in December would stand in office from January to June 30th so that the RSU board will develop a budget with input from current school boards. The tenor of this conversation was the governor's agenda, which is cost savings - maintaining educational programming with cost savings. The survival of programs is dependent on our partnerships.

Dennis Keschl noted that there is a focus on savings. To the extent that the RPC can provide some relative value to that amount of savings, the better it will be in getting support from local citizens.

The following statement was added to the end of Section 12. "The overall financial goal of the new RSU using the cost centers in Exhibit 12 is to articulate 3% savings over a three-year period in constant dollars (FY 2009). Benchmarks will be established by the new RSU board. The consolidation of the RPC towns into a single RSU will result in significant tuition savings, currently being paid by China and Vassalboro to the member RPC SAUs. In FY 2009 this approaches \$1million in tuition savings."

Section 13

13. Such Other Matters as the Governing Bodies of the School Administrative Units in Existence on the Effective Date of This Chapter May Determine to be Necessary.

Should China, Vassalboro and Winslow vote to join the RSU the SU 52 Central Office building shall transfer to the RSU by dissolving the inter-local agreement (Exhibit 13 A.). If

any of the SU 52 towns do not join the RSU, the inter-local agreement must be dissolved, and the member towns will meet to determine the disposition of the building (reference the original agreement).

The RPC Educational Programming Subcommittee identified potential educational benefits (Reference Exhibit 13 B.) that the RPC would ask the RSU Board to review and take under advisement.

The RSU will maintain its current relationship with MMTC and make adjustments with the Governance board as needed.

Jim Morse noted that there are three issues in Section 13: (1) the original language, (2) educational programming, and (3) Mid-Maine Technical Center as an important part of the educational programming.

13-A. Plans to Reorganize Administration, Transportation, Building and Maintenance and Special Education.

The plan according to statute must address how the school administrative unit will reorganize administrative functions, duties and non-instructional personnel so that the projected expenditures of the reorganized school unit in fiscal year 2008-09 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program.

The RPC strongly recommends that the staffing transitions occur over the first three years of the newly formed RSU in order to assure smooth transitions from current practices, to assure the complex workload can be done accurately, to blend different institutional systems and to avoid unnecessary complications related to the merger of a three town school union and a Maine school administrative district. The RPC recommends that staff reductions occur through attrition, job reassignment, transfers, and voluntary resignations.

| SYSTEM ADMINISTRATION (Handbook IIR) | | | |
|---|-------------------------|---|---|
| SU 52 Staffing | MSAD 47 Staffing | Position | New RSU Staffing |
| 1.0 | 1.0 | Superintendent | 1.0 |
| 1.0 | | Asst Superintendent – Business Operations | 1.0 |
| | 0.2 | Asst Superintendent – Education | 0.5 |
| 2.0 | 1.2 | Totals | |
| 3.2 | | Combined Totals | 2.5 |
| | | Business Office | |
| SU 52 Staffing | MSAD 47 Staffing | Position | New RSU Staffing |
| 0.5 | 1.0 | Finance Manager/Analyst | 1.0 |
| 1.5 | 1.0 | Payroll | 1.0 |
| 0.0 | 0.0 | Human Resources | 1.0 |
| 0.5 | 1.3 | Accounts Payable | 1.5 |
| 0.5 | 0.2 | Purchasing/Inventory | 0.5 |
| 0.5 | 0.2 | Bookkeeper/Analyst | 0.5 |
| 3.5 | 3.7 | Totals | |
| 7.2 | | Combined Totals | 5.5 |
| | | Superintendent Support | |
| SU 52 Staffing | MSAD 47 Staffing | Position | New RSU Staffing |
| 1.0 | 1.0 | Admin Assistant | 2.0 |
| 0.0 | 0.5 | Secretary | 0.5 |
| 0.5 | 0.5 | Receptionist | 1.0 |
| 1.5 | 2.0 | Totals | |
| 3.5 | | Combined Totals | 3.5 |
| SU 52 Staffing | MSAD 47 Staffing | Position | New RSU Staffing |
| 7.0 | 6.9 | Overall Administration Totals | |
| 13.9 | | Combined Admin Totals | 11.5 |
| School Union 52 | MSAD 47 | Total | Proposed RSU |
| \$363,060 Salaries | \$389,448 Salaries | \$752,508 Salaries \$188,127 Fringe \$940,635 | \$658,498 Salaries \$164,625 Fringe \$823,123 |

1. MSAD 47 cut 1.34 positions in 2007-08
 .84 payroll
 .50 secretary
 1.34

| |
|--|
| \$940,635 -\$823,123 <\$117,512> |
|--|

2. Based upon current staffing, the RSU Central office will meet this recommended staffing by year 3.
3. This model is based recommended staffing levels from MDOE
4. SU 52 Curriculum Director is noted in instruction, as is 80% of SAD 47 Assistant Superintendent.

The Regional Planning Committee recommends one central office administrative model noted above which denotes a savings of \$117,512 from current practice of two separate central offices, one in Winslow and the other in Oakland. As staff retire and contracts expire, central office functions such as payroll, accounts payable, finance management, and federal grant oversight can be managed by one office. In addition, the office of the superintendent can be reduced to one from two. Overall district functions can be managed from one superintendent's office. The range in costs of the current arrangement is approximately \$176 to \$300 per student, with the RSU average being \$254 per student. The RPC encourages the RSU to investigate what contributes to that range and to look for cost efficiencies that can be implemented without impacting the overall quality of services to the system and towns or educational programming. The RPC feels that the recommended administrative structure will not adversely affect the educational/instructional programming.

Transportation

The new Regional School Unit will use routing software provided by the Maine Department of Education or one adopted by the RSU to create more cost effective and efficient bus routes. One of the districts forming the RSU already uses routing software and can attest to the numerous benefits, both financial and non-financial.

Utilization of routing software in the towns of China, Vassalboro and Winslow should result in the reduction of miles driven by eliminating overlapping routes, the use of buses across town lines, and shorter ride times for students. The software also provides critical information to the drivers.

Moving from a school union configuration to a regionalized administrative model will create inherent time efficiencies. In addition to the potential financial savings the software addresses student safety. Bus drivers have accurate, up-to-date students lists that can be used in emergency situations such as collisions. They also have critical medical information such as allergy information.

Additional savings can be attributed to regional maintenance service already performed for the City of Waterville bus fleet and the bulk purchase of fuel, relative to retail pricing. The RPC encourages the RSU to investigate the creation of a fuel depot somewhere between China and Vassalboro to avoid paying retail pricing for fuel. The fuel depots in Winslow and Vassalboro will continue to provide service to RSU buses.

The current transportation costs range from \$ 428 to \$635, with an average cost of \$550. The RPC encourages the RSU to investigate this range carefully to determine if there are any efficiencies that can be applied to the new RSU. The recommended transportation changes will not adversely affect the educational/instructional programming.

Special Education

| Special Education (Handbook IIR) | | | |
|---|-------------------------|--|-------------------------|
| SU 52 Staffing | MSAD 47 Staffing | Position | New RSU Staffing |
| 2.5 | 1.0 | Director | 1.0 |
| 0.0 | 0.5 | Assistant Director | 1.5 |
| 0.0 | 1.0 | Admin Assistant | 1.0 |
| 2.8 | 0.8 | Secretary | 2.5 |
| 5.3 | 3.3 | Totals | 6.0 |
| 8.6 | | Combined Totals | 6.0 |
| SU 52 | MSAD 47 | | |
| \$209,800 | \$167,751 | Salaries | \$275,929 |
| \$52,450 | \$41,938 | Fringe Benefits (25% of salaries) | \$68,982 |
| \$262,450 | \$209,689 | Totals | \$344,911 |
| \$472,139 | | Combined Totals | \$344,911 |
| | | Savings | (\$127,228) |

The RPC recommends a three-year transition from the current administrative structure to the proposed structure to assure a smooth transition. Once the transition time has elapsed the projections show a reduction in administrative costs of \$127,228. The RPC also recommends that the RSU Administration do a complete analysis of each SAU's current programming and staffing to determine the most cost efficient means to deliver services when such efficiencies do not compromise student programming. The current cost of providing service in the School administrative units range from an approximate low of \$ 5,851 to a high of \$ 12,856, with a RSU average \$8,603. The Winslow Special Education cost may be artificially high, as it should be offset by the tuition revenue received by China and Vassalboro. It is expected that the above analysis will identify efficiencies. The RSU board should work to make sure that the recommended changes would not adversely affect the educational/instructional programming.

Maintenance

The SAUs involved in this consolidation effort are noted for the excellent condition of their buildings. An analysis of current practices and procedures should be conducted to determine potential cost savings. Viewing the buildings from a single RSU lens, rather than as separate school units, will lead the RSU toward consistency in administration, custodial and maintenance staffing, professional development, contracted services and the purchase of supplies. Costs associated with building and grounds maintenance need to be analyzed by the new RSU.

The current costs in the SAUs forming the new RSU range from \$892 to \$1,425, with an RSU average of \$1,268. The RSU board should work to assure that the recommended changes will not adversely affect the educational/instructional programming.

Jim Morse noted that the four sections listed in Section 13-A: administration, transportation, building and maintenance, and special education are from the law. There is a federal obligation to provide special education programming. System administration cuts/ savings total \$117,512. Dr. Morse noted that MSAD 47 already cut 1.5 positions for this current school year. The savings listed in this section will be accomplished by year 3. This is based on the MDOE model. Dr. Morse indicated that the total number of personnel is based on current structure and the recommended model. There are fewer staff members in the recommended state model total. Staffing needs are based on what the state says the SAU should have.

Regarding transportation SAD 47 uses routing software. As a result, each year the District has been able to reduce one bus route, a savings of \$30,000 in terms of fuel, drivers, etc. If the software is used across the RSU, the RSU can continue to reduce the number of miles driven by the bus fleet to achieve savings. The software also provides efficiency in the safety of students. The bus drivers have on the bus critical medical information regarding their students. Regarding bus maintenance, SAD 47 contracts with Waterville, and that brings in revenue.

Special Education administrative costs will achieve an initial savings of \$127,228 with a reduction in staff. The goal is not to impact students. IEPs, PETs, contracted services - all of those are critical in special education. There needs to be a transition process that allows those systems to merge harmoniously so that students' programs are not jeopardized.

Regarding maintenance, there are very few administrative costs associated with maintenance costs in any of the systems. In order to achieve savings in maintenance, things need to be viewed from a system's perspective - lighting efficiency, purchase of supplies, etc. Those are the places where there will be savings in maintenance. Costs will need to be analyzed in order to create efficiency.

There were no revisions to Section 13-A.

13-B. Cost Sharing in Regional School Units (Revised 6/19/08)

The regional school unit may raise money, in addition to the required local contribution pursuant to Title 20-A, Section 15690, subsection 1 for educational purposes. The additional local costs of operating the regional school unit shall be shared among all the municipalities within the regional school unit. This local cost sharing formula applies only to the amount, if any, of additional local funds raised by the regional school unit. It does not apply to the required local contributions raised by each municipality pursuant to 20-A M.R.S.A. § 15688.

For the first three operational years of the RSU (FY 2010, FY 2011 and FY 2012) each member municipality shall be responsible for its FY 2009 percentage share of the combined

RSU towns additional local funds (hereinafter referred to as “Allocation Percentage”) as follows:

| Town | FY09 ALF \$ Cost Sharing | % |
|------------|--------------------------|-------|
| China | \$888,897 | 14.4% |
| Vassalboro | \$698,344 | 11.3% |
| Winslow | \$1,812,456 | 29.4% |
| Belgrade | \$1,009,825 | 16.4% |
| Oakland | \$702,065 | 11.4% |
| Rome | \$472,561 | 7.7% |
| Sidney | \$580,677 | 9.4% |
| Total | \$6,164,825 | 100% |

The intent of this Plan is to have the additional local funds shared fairly and equitably among the RSU’s member municipalities.

The RSU member municipalities shall meet by July 2011 to determine the cost sharing formula for FY13 and beyond in accordance with the following procedure. The cost sharing formula may incorporate any factor or combination of factors permitted by law in addition to or in lieu of fiscal capacity and resident pupils.

Procedure for Determining Cost-Sharing Formula Effective FY 2013

- A. The member municipalities must convene a meeting by July 2011 to develop a cost sharing formula for additional local funds. Each member municipality must be represented at the meeting or meetings by 2 representatives chosen at large by its municipal officers, and one member of the regional school unit board representing each member community.
- B. Prior to the first meeting of municipal representatives the RSU shall engage the services of a facilitator selected from the list, if any, maintained by the commissioner. The facilitator shall:
 - (1) at the first meeting, review and present data and information pertaining to sharing of costs within the region. Pertinent information may include, but is not limited to, a description of the region's cost-sharing method, the elements involved in the calculation of each municipality's costs and a graphic depiction of the current and historic distribution of costs in the region.
 - (2) solicit and prepare a balanced summary of the concerns of municipal officials, educators and the public about the current method of cost sharing; and

(3) develop a plan of action for consideration by the municipal representatives that responds to the information collected and the concerns raised. The plan of action must include a list of expectations for the conduct of the parties, options for proceeding and an assessment of the likely success of those options.

- C. The cost-sharing method must be approved by a majority vote of the municipal representatives present and voting.
- D. If a cost-sharing method is approved by a majority of the municipal representatives meeting pursuant to paragraph A, the method must be submitted to the voters at a referendum election. It becomes effective when approved by a majority vote of the RSU in a referendum called and held for this purpose in accordance with sections 1501-1504 of Title 20-A, except that, if the proposed cost-sharing plan is based in whole or part on factors other than fiscal capacity or pupil count, the change must be approved by a majority of voters voting in each municipality in the region.
- E. If approved at referendum, assessments made by the regional school unit board thereafter must be made in accordance with the new method of sharing costs.
- F. The secretary of the RSU shall notify the state board that the RSU has voted to determine its method of sharing costs. The state board shall issue an amended certificate of organization showing this new method of sharing costs.

In the event that no cost sharing formula has been approved by the voters by January 31, 2012 in accordance with the procedure described above then the following cost sharing agreement will become effective starting in Fiscal Year 2013: In FY 2013 additional local funds will be allocated as follows: 67% based upon the 2008-09 Allocation Percentage and 33% based upon 75% state valuation and 25% student count. In FY 2014, 33% based upon the 2008-09 Allocation Percentage and 67% based upon 75% state valuation and 25% student count. In FY 2015 it will be 75% state valuation and 25% student count. The formula for FY 2015 shall remain in effect thereafter until amended as provided below.

The cost sharing formula shall be reviewed in FY 2017 and every five years thereafter to assure equity and fairness to all member communities. The method of amending the cost sharing formula is as follows:

- A. If requested by a written petition of at least 10% of the number of voters voting in the last gubernatorial election within the regional school unit, or if approved by a majority of the full regional school unit board, the regional school unit board shall hold at least one meeting of municipal representatives to reconsider the method of sharing costs. The RSU shall give at least 15 days' notice to each municipality comprising the RSU of any meeting.
- B. Each member municipality must be represented at the meeting or meetings by 2 representatives chosen at large by its municipal officers, and one member of the regional school unit board representing each member community.

Prior to the first meeting of municipal representatives the RSU shall engage the services of a facilitator selected from the list, if any, maintained by the commissioner. The facilitator shall:

- (1) at the first meeting, review and present data and information pertaining to sharing of costs within the region. Pertinent information may include, but is not limited to, a description of the region's cost-sharing method, the elements involved in the calculation of each municipality's costs and a graphic depiction of the current and historic distribution of costs in the region.
- (2) solicit and prepare a balanced summary of the concerns of municipal officials, educators and the public about the current method of cost sharing; and
- (3) develop a plan of action for consideration by the municipal representatives that responds to the information collected and the concerns raised. The plan of action must include a list of expectations for the conduct of the parties, options for proceeding and an assessment of the likely success of those options.

- C. A change in the method of sharing costs may only be approved by a majority vote of the municipal representatives present and voting.
- D. If a change in the cost-sharing method is approved by a majority of the municipal representatives meeting pursuant to paragraph A, the change must be submitted to the voters at a referendum election. It becomes effective when approved by a majority vote of the RSU in a referendum called and held for this purpose in accordance with sections 1501-1504 of Title 20-A, except that, if the proposed change in cost-sharing plan is based in whole or part on factors other than fiscal capacity or pupil count, the change must be approved by a majority of voters voting in each municipality in the region.
- E. If approved at referendum, assessments made by the regional school unit board thereafter must be made in accordance with the new method of sharing costs.
- F. The secretary of the RSU shall notify the state board that the RSU has voted to change its method of sharing costs. The state board shall issue an amended certificate of organization showing this new method of sharing costs.

Non-State Funded Local Only Debt

In 2008-09 total local only debt outstanding is \$931,339 for MSAD 47 and \$5,805,000 for Winslow, with a combined \$515,961 annual debt payment. In order to buffer the transition cost shifting the RPC recommends one of the following options. This local only debt is specific to the renovation cost of Winslow High School and the Messalonskee Middle School construction. (Reference Exhibit 13 B.1 for the debt schedule.)

CHOOSE ONE

1. Each SAU will assume its own local only debt for the life of the bonds.
2. The RSU will assume each SAU's local only debt. Winslow will assume 25% of \$515,961, and all other members will assume an equal share of the remaining portion for the life of the bonds.
3. The RSU will assume each SAU's local only debt. Winslow will assume 50% of \$515,961, and all other members will assume an equal share of the remaining portion for the life of the bonds.

Any local only debt incurred after July 1, 2009 will be assumed utilizing the adopted additional local funds cost sharing formula.

Gary Smith noted that as a result of using the financial model and looking at factorial scenarios, the FY 2009 amount of additional local funds for which a cost sharing formula could be developed is \$6.2 million. The \$6.2 million was allocated by valuation, student count, median income, etc. The model that arose is a six-year transition plan with the notion of treating the first three years somewhat the same and then in years 4, 5, and 6 transition to the cost-sharing model. The current year's FY 2009 additional local funds were used by town as a percent for each town for the first three years of the RSU. This is critical because it holds communities where they were as of the start of this point and gets the RSU through the biggest change period in the RSU. See Table 4, page 16.

Doug Eugley asked if the three-year phase-in would tie in with three-year phase out.

Gary Smith noted that the first three years would hold constant. Then member municipalities will meet by July 2011 to determine the cost sharing formula for FY 2013 and beyond in accordance with this procedure.

In the event that no cost sharing formula has been approved by the voters by January 31, 2012, then we will begin a process of a three-year transition for the next three fiscal years, moving to a 75% valuation and 25% student count allocation of those additional local funds. This also includes periodic revenue. The cost sharing formula shall be reviewed in FY 2017 and every five years thereafter to assure equity and fairness to all member communities.

Jim Morse noted that this provides the option for the voters petitioning to have cost sharing formula review – a fair and equitable formula.

Gary Smith noted that these processes could be very complicated to manage. The plan requires that member municipalities engage a facilitator to help with that.

The outstanding portion of non-state funded local only debt for MSAD 47 is \$931,339, and for Winslow it is \$5,805,000, for a combined annual debt payment of \$515,961 for this fiscal year.

There are three options in terms of local only debt and what to include in the plan: (1) no local debt sharing; (2) local debt shared among member communities, with 25% assessed to Winslow and all other members assuming an equal share of the remaining portion for the life of the bonds; and (3) local debt shared among member communities, with 50% assessed to Winslow and all other members assuming an equal share of the remaining portion for the life of the bonds.

Joel Selwood said that no debt sharing is not a viable option.

Jim Morse noted that the person who was representing Winslow indicated that that needed to be an option.

Dennis Keschl noted that there are no significant benefits to be seen for Belgrade. Belgrade built a high school, and Belgrade paid for it. Winslow built a high school, and Winslow is paying for it. He asked if additional local debt could be kept local.

Joel Selwood noted that Districts have enjoyed the benefits of what they have put into the buildings through reduced maintenance. Based upon the information we have gained in efficiencies and what we have done with performance contracting with buildings in China and Vassalboro, all of these kinds of improvements are built into those high school projects. The RSU will enjoy the benefits in its operating budget through maintenance of that building (Winslow High School). There is a percent of which there is some equity. All these things will realize significant savings – heating, power, etc. The RSU will recognize benefits and member municipalities will get a portion of it. What is the percent of what is equitable and what the RSU will gain from that? Given that there will be three years on additional local funds with, 29% in Winslow, the RSU will probably find some savings. Winslow will still be 29%.

Doug Eugley noted that any of those 29% savings would go to Winslow.

Lori Fowle noted that if there were \$1 million in savings, Winslow would get 29% of those savings.

Break: 7:08 p.m. – 7:32 p.m.

It was decided that votes taken this evening would be taken by administrative unit, as originally established by the RPC.

Ralph Farnham, Jr., made a motion, and Dennis Keschl seconded, that the RPC accept Option 1 in terms of debt sharing, with each SAU assuming its own local only debt for the life of the bonds. Winslow voted no; Vassalboro voted no, China voted no, and MSAD 47 voted no. Motion failed unanimously.

Gerry St. Amand made a motion that the RPC accept Option 2 in terms of debt sharing, with the RSU assuming each SAU's local only debt. Winslow will assume 25% of \$515,961, and all other members will assume an equal share of the remaining portion for the life of the bonds. Motion failed for lack of a second.

Larry Brown made a motion, and Jeff Frost seconded, that the RPC accept Option 3 in terms of debt sharing, with the RSU assuming each SAU's local only debt. Winslow will assume 50% of \$515,961, and all other members will assume an equal share of the remaining portion for the life of the bonds. Winslow voted yes, Vassalboro voted yes, China voted yes, and MSAD 47 voted. Motion carried unanimously.

13-C. Tuition Contracts and School Choice. (Revised 6/19/08)

1. Tuition Contracts

Not applicable – there are no tuition contracts.

2. School Choice

Secondary students residing in China or Vassalboro with a parent or guardian with legal custody shall continue to have school choice as follows:

| SAU | Description |
|------------|---|
| China | All students 9-12 may choose to attend any secondary school approved for tuition purposes. The RSU will pay tuition up to the RSU's secondary tuition rate. |
| Vassalboro | All students 9-12 may choose to attend any secondary school approved for tuition purposes. The RSU will pay tuition up to the RSU's secondary tuition rate. |

The RSU will act as the financial agent for China and Vassalboro for purposes of paying tuition to any approved public or private secondary school. Should the tuition rate for a school that is not operated by the RSU exceed the RSU secondary tuition rate, the excess amount shall be assessed to the municipality in which the student resides with his/her parent or guardian with legal custody.

In the event that the state does not continue reimbursement for insured value, China and Vassalboro will assume financial responsibility directly to any school(s) of choice that include an insured value factor in their tuition rate.

The RSU agrees to provide transportation for secondary students residing with their parents or guardians with legal custody in China or Vassalboro to Erskine Academy, with the cost shared utilizing the MDOE cost sharing formula.

Should circumstances change related to decreased student enrollment, state law, or other unforeseen circumstance the RSU Board may review and change school choice arrangements and/or the transportation policy if permitted by State law.

This busing agreement will be reviewed at the same time the RSU cost sharing formula is reviewed.

Mr. Riordan noted that choice would continue as is, with the potential for differences for tuition rates that may be charged.

Jim Morse noted that choice was an issue addressed earlier on. This keeps the status quo in place for China and Vassalboro.

Joe Selwood asked what is being built into the plan regarding bussing for secondary students. What if bussing goes away for a town? Does this protect China and Vassalboro?

Jim Morse indicated that if transportation policies change, then the board would be able to adjust practices accordingly.

There were no revisions to Section 13-C of the plan.

13-D. Claims and Insurance (See Exhibit 13 D.)

Insurance coverage shall continue uninterrupted from the SAUs to the RSU.

Connie Packard noted that there would be no lapse in coverage. A bridge policy may be obtained for schools that are not covered by MSMA. The coverage for SAD 47 is would continue with MSMA. SU 52 would continue with MSMA. It would have to be insured that there is continuing coverage until the insurance piece go out to bid. A listing of insurance coverage and claims will be attached as an exhibit to the plan.

There were no revisions to Section 13-Dof the Plan.

13-E. Vote to submit reorganization plan to Commissioner.

Before submitting a reorganization plan to the Commissioner of Education the governing body of each school administrative unit shall adopt the following vote:

Vote to be Adopted by [School Committee/Board] to Submit Reorganization Plan to Commissioner:

VOTED: That the provisions included in the school reorganization plan prepared by the SU 52 and MSAD 47 Reorganization Planning Committee to reorganize into a regional school unit with an operational date of July 1, 2009, are determined to be necessary within the meaning of Section XXXX-36(5)(M), and that the Superintendent of Schools be, and hereby is, authorized and directed to submit the school reorganization plan to the Commissioner of Education on behalf of this school administrative unit by December 1, 2008.

Note: Adoption of this vote does not necessarily mean that the governing body of the school administrative unit endorses the school reorganization plan. This vote is required in order for the school reorganization plan to include "such other matters as the governing bodies . . .

determine to be necessary” under Section XXXX-36(5)(M) of the school reorganization law and in order for the plan to be submitted to the Commissioner of Education by the school administrative unit as required by Section XXXX-36(4).

Jim Morse noted that the above-listed motion would need to be adopted by each respective school committee/ board prior to being presented to the voters and the Commissioner.

There were no revisions to Section 13-E of the Plan.

13-F. Section for RSUs with fewer than 2,500 students

Not Applicable

13-G. Collaborative Agreements

Collaborative agreements are agreements to share the responsibility for and cost of the delivery of certain administrative, instructional and non-instructional functions. “Collaborative agreements” include, but are not limited to:

- A. Shared purchasing or contract agreements: Kennebec Alliance
- B. Agreements for shared staff or staff training: Kennebec Alliance
- C. Agreements to share technology or technology support: none
- D. Agreements to provide special education programs and support services: Kennebec Alliance
- E. Agreements to share accounting, payroll and financial management services: none
- F. Agreements to coordinate transportation routing and vehicle maintenance: Waterville & MSAD 47
- G. Agreements to share food service planning and purchasing; and Waterville & MSAD 47
- H. Agreements to coordinate energy and facilities management: none
- I. Adult Education: Winslow, Waterville & MSAD 47

A school administrative unit may enter into collaborative agreements with other school administrative units and, whenever possible, with local and county governments and State Government, to achieve efficiencies and reduce costs in the delivery of administrative, instructional and non-instructional functions.

A collaborative agreement between two or more previous education units may remain in effect after July 1, 2008. Notwithstanding any other provision of law to the contrary, collaborative agreements in existence on the effective date of this section may be extended or modified by the parties to the collaborative agreement.

Jim Morse noted that Skowhegan and Fairfield are included in the Kennebec Alliance. In some cases there are significant cost savings.

There were no revisions to Section 13-G of the Plan.

Jack Sutton noted that taking this part of the plan and going through categories looking at units of dollars that collectively are spent now and looking at range of costs per pupil, he thinks that people can make reasonable educated guesses about what percent of change is reasonable, and he would like to see that done. It can be called a goal or target. There should be add backs that are significant. He suggested a figure of close to \$4 million, which would be a big help in selling this plan or explaining to people it can go forward at least with perceived cost savings.

Melanie Jewell asked where the \$4 million in savings would be.

Hugh Riordan noted what SU 52 went through with Winslow, China and Vassalboro last year in trying to get budgets to people to a point where they would support them. \$4 million would greatly impact positions and programming.

Jack Sutton noted that it would not if there is significant overlap.

Dennis Keschl indicated that he wants people with experience to be making these decisions.

Hugh Riordan noted that in China and Vassalboro it was right to the bone. Next time, a program will be affected.

Dennis Keschl noted that schools need to be viewed as to how they exist now. That is where the discussion has to take place. Therein some of the overlap can be removed.

Jack Sutton said he is not proposing these numbers; he is talking about methodology. It is intended to provide something to shoot at. It would be a tremendous tool.

Connie Packard noted that there would be more savings because what was identified was administration. Within support, there may be more savings.

Nora Murray noted that the law states that there should not be any adverse educational impact.

Dennis Keschl noted that the RPC has talked about efficiencies as a result of consolidation. The intent was to focus on administrative savings. It is recognized that consolidation would produce efficiencies. The approach gives us something we can speak to in terms of savings as targets and

goals. There is a process in place where experts can grab on to and maybe come up with anticipated savings. It all depends on what the RSU board does.

Lori Fowle noted that it needs to be kept in mind that when moving forward and building this current budget that \$36 million has already been cut. This town has already done the cutting in terms of moving forward. It happened this year. That is what needs to be remembered also. The law says SAUs need to consolidate. The \$36 million was already in the current budget. The current budgets reflect the cuts that municipalities had to make to absorb their share of the \$36 million.

Dennis Keschl noted that taxes were raised and cuts were made, but SAUs did not save \$36 million across the state. \$36 million was what the state saw as revenues through property taxes and cuts.

Jim Morse noted that towns raised taxes because of fewer state dollars. The overall goal of the new RUS using the cost centers in Exhibit 12 will be to establish cost efficiencies based on those cost center and to articulate percent savings over a three-year period based upon 2008-09 numbers. So there is a fixed cost, and there is an established goal. That guides the RSU, takes Jack Sutton's vision, but still leaves the work of articulating savings to the RSU school board.

Jeff Frost stated that the goal of what Jack Sutton is talking about is efficiency. The goal is to create a climate of efficiency and continue to review each undertaking that the RPC articulated.

Libby Mitchell noted that the SAUs are receiving districts from the state. That 55% that the state promised - we are almost there. We will be facing fuel crisis, and we will be facing less money from the state. List things, but be very careful. SAUS are now feeling betrayed by state promises. This is a cause of efficiency minded people. Be very careful about over promising.

Joel Selwood referred to Section 7 relating to individual contracts. He suggested that after the respective school committees in each town accept the plan that they are not in any contract extensions or increases beyond what would be transferred to the new RSU.

Gary Smith noted that the whole central office of SU 52 would be December until July 1. That is typically when contracts are established.

Lori Fowle stated that she believed the only contract protected in moving forward with consolidation was that of the superintendent.

Jim Morse noted that anybody in central office with a multiple-year contract, those contracts have to be renewed. Both Central Offices have the same equity going through the RSU. In SAD 47 administrators have a three-year contract. The Superintendent has a five-year contract, but let two years lapse. As a result the Superintendent has a three-year contract.

Libby Mitchell asked how a reduction in system administration would be accomplished if existing school boards are forced to deal with this issue.

Jim Morse noted that reductions in administration would be absorbed through retirements.

Joel Selwood made a motion, and Jack Sutton seconded, to add language to the proposal to restrict school committees who approve this proposal to be sent to the Commissioner and then to referendum that they agree not to extend these individual employment contracts for the duration or for the time of the approval of this agreement by their boards through the time of the formation of the RSU. SAD 47 voted no, Winslow voted no, Vassalboro voted no, and China voted no. Motion failed unanimously.

Joel Selwood noted that the additional local funds for Winslow is 29%. If state changes EPS over the next three years, this would be unfavorable for Winslow.

Gary Smith noted that there will be efficiencies and the 29% will be a smaller number. Winslow would also receive 29% of the savings.

Joel Selwood made a motion that if EPS funding changes during the three-year period that the cost sharing formula is subject to change. As there was no second, the motion failed.

Joel Selwood noted that it has not been discussed what this will mean educationally.

Jim Morse noted that that is listed in Exhibit 13B, potential educational benefits, completed by the Educational Programming Subcommittee.

Dennis Keschl made a motion and Gerry St. Amand seconded, to bring the plan as presented to each respective school board. Vassalboro voted yes, Winslow voted yes, China voted yes, and SAD 47 voted yes. Motion carried unanimously.

Doug Eugley made a motion, and Larry Brown seconded, to approve the minutes of June 17, 2008 meeting as printed. Motion carried unanimously.

Charley Clark made a motion, and Gerry St. Amand seconded, that the meeting be adjourned. Motion carried unanimously. Time: 8:43 p.m.