

***Durham, Freeport, & Pownal
Reorganization Planning Committee
Meeting Minutes
April 16, 2008
Freeport High School~Freeport***

Members Present: Fred Palmer, Sherry Dietrich, Tim Giddinge, Paul Schumann, John Gleason, Wesley Bennett, Allan Purinton, Rick White, Jennifer Kaplan, Rhonda O’Shea, Nelson Larkins, Amber Snell, Cliff Ruprecht, Laurie Poissonier

Advisors Present: Shannon Welsh, Superintendent of Schools, Durham; Elaine Tomaszewski, Superintendent of Schools, Freeport; Joe Feeney, Superintendent/Principal, Pownal

Also Present: Bob Kautz, Facilitator; Cathy Messmer, Business Manager, Durham, Diane Boucher, Business Manager, Freeport/Pownal and 1 member of the public

Not Present: N/A

- The meeting convened at 7:02 pm.
- Bob gave an update on what was transpiring currently with the Legislation. The only activity regarding any bills dealing with education was that all bills were tabled by the Legislature. Bob explained there are members of the Legislature currently writing a bill which could possibly be finished by the next day. This bill would allow the Commissioner to approve alternate organizational structures. The bill also provides the fixes that we have previously discussed as well. It was asked if this bill offers up school unions in “sheep’s clothing”. Bob explained the bill does have that potential however, it would be more intact and the Commissioner would review all Plans on a case by case basis. It was explained the Commissioner can reject Plans. It was asked how worried the legislative body was about the petition to repeal the law and it was explained the legislation is aware there must be some action. It was explained the petition to repeal the law would not be able to be submitted to the legislation until after November. It would make it difficult to repeal, as by the time the petition has submitted and recognized by the legislature there would be school units already in place. It was asked if a change of date for the last date for plans to be submitted by January 30 instead of November had been added to the new bill being submitted. It was explained the change of date was in the bill known as Bucket A, but not within the new bill. It was also explained that under the currently law, the budget validation process will need to proceed for school units for the next school year.
- The previous meeting minutes were reviewed and accepted by consensus.
- There were no public questions from the previous RPC meeting.
- There were no public comments or questions.
- Bob explained that a new timeline will need to be created by the RPC. It was suggested that the RPC meet again on April 30th and then meet alternating

Wednesdays until the Plan is completed. The Facilities Study request has been approved by the state and has been forwarded to the business which will be handling the study. The Facilities analysis already completed for Freeport and Durham will be forwarded to the business performing the analysis. Bob will check on Pownal having a study of this nature done. The business performing the study will meet with the RPC after their analysis to review their findings.

- It was explained that Jake Clockedile had reviewed the Plan and the findings were sent to the Finance Subcommittee. It was asked how deeply Jake's analysis went into cost sharing. It was explained that Jake could not say the calculations supplied by the Finance Subcommittee were incorrect because assumptions were made by the Subcommittee and the most realistic bottom line was shown. It was explained that Jake felt basing cost sharing on the level above EPS was appropriate and he felt the sharing of the debt was appropriate as well. Jake felt the Subcommittee's Scenario one was the preferred basis to go from.
- There was a 30 minute Subcommittee breakout.

Governance and Transition Subcommittee: Members: Nelson Larkins, Sherry Dietrich, John Gleason, Tim Giddinge, Wesley Bennett

Sherry Dietrich submitted the following notes as scribe:

Members present: Nelson Larkins, chair; Sherry Dietrich, scribe; Tim Giddinge; Wes Bennett; John Gleason; Joe Feeney, advisor.

Members went over the legal review and opinions of Drummond/Woodsum for the section on Governance. Issues and decisions of the subcommittee were as follows:

1. 3A. **Method of Voting.** We agreed to insert additional language relative to future population changes. This language changed some from our recommendation of April 9, 2008. We are proposing to say, "The Regional School Unit Board must be apportioned in accordance with the one-person, one vote principle, meaning that each member should represent the same number of citizens. Every five (5) years the RSU Board will review the composition of the Board and, if necessary, will take steps consistent with 20-A M.R.S.A. 1475 to ensure community representation meets state law.
2. Add the following recommendation to 3A (2): "It is strongly recommended the RSU Board consider, on a yearly basis, undergoing board participation training.

For Section 9A, Drummond/Woodsum suggested using their template language but we could not see any difference from ours so did not change anything.

The subcommittee adjourned to meet with the full RPC meeting.

Employment and Collective Bargaining/Other Subcommittee: Members: Jen Kaplan, Rhonda O'Shea, Amber Snell and Rick White.
Jen Kaplan submitted the following notes as scribe:

All members of this subcommittee were present including Advisor Shannon Welsh. Our purpose for this meeting was to review the language of this committee's previously submitted interim plan, making changes where necessary, and taking note of areas that will need to be legally reviewed by Dick Spencer.

Business was a follows:

1. The Durham and Freeport secondary tuition contract needs to be finalized. This contract is being written by Dick Spencer, and when it is available, it will be need to be presented to the Durham school board and the Freeport Town Council for passage. The language previously submitted in the plan will need to be changed as the contract will be in place by the new submission deadline.
2. Due to a change in law last week guaranteeing that current collective bargaining agents will remain in place until August of 2012, questions were had regarding potential impact on our subcommittee charge. As all three systems currently utilize M.E.A. teacher unions, Bob advised that our subcommittee charge will not be affected, but it will be an issue for the new RSU board to deal with.
3. A brief discussion about administrative structure was had. We do need to finalize some kind of organizational structure for the new submission, however, Shannon believes that we need to wait until a certain transportation software is made available to us. Therefore, we will keep the language of 13-A as is for now.
4. As the policies of SAD #62 and Durham have been changed in regard to school choice, we need to clean up the language in 13-D. There is question about how much of the grandfather-ing language needs to be included in this proposal, and Shannon will run that question by Dick Spencer.
5. As for the section on Claims and Insurance, we will need to update this at the last minute when we know more.
6. We have created a "13-I" to include language, written by Dick Spencer, regarding Sherry's concerns about land ownership in the event of a school closing. Because SAD law (only concerning Pownal) is a little unclear on this issue, we have decided that specific intentions should be spelled out in the proposal.

Finance, Property, and Cost Savings Subcommittee: Members: Paul Schumann, Cliff Ruprecht, Allan Purinton and Fred Palmer.

Cliff Ruprecht submitted the following notes as scribe:

NONE REPORTED

- The full RPC meeting reconvened at 8:07pm
- It was explained that Laurie Poissonier was officially made a member of the RPC as a representative for the Durham School Committee and Amber Snell would stay on as a community representative.

- The Finance Subcommittee reported out on their discussions. It was explained that the Subcommittee had met the day before (meeting notes are included at the end of these minutes). It was explained the Subcommittee does not have a recommendation at this time. They are working on additional scenarios including combinations with Scenario one and may discuss capping per student ratios. It was explained the Subcommittee wants to recommend a cost sharing structure with fairness to all communities. It was explained the Subcommittee will also review elementary debt and the shift when allocations address some of the fairness comments. It was stated the Subcommittee received a copy of a cost sharing model from Shannon Welsh. It was explained there are still many variations to review and discuss. The Subcommittee's goal is to bring a recommendation to the RPC that will be favored. Net revenue was also discussed and although there have been some questions raised about numbers by community members the Subcommittee is comfortable with the assumptions they have presented. The Subcommittee will continue to review the bottom line and the drivers of cost sharing. There was some discussion regarding changes within costs, revenue and an operating budget and assumptions made for future years. It was explained the Subcommittee does not want to give an inaccurate impression of bottom line savings or spending. They can only present what the potentials may be. It was suggested the RPC set aside time for a full discussion regarding the amending process of the cost sharing formula. It was explained this will be scheduled for the next meeting's agenda. It was explained there had been some discussion within the Subcommittee but no resolutions have been made. The Subcommittee feels this should be a full RPC discussion and not a recommendation from the Subcommittee. It was explained that no decisions will be made until the cost sharing scenario has been recommended. The Subcommittee is still trying to address some of the concerns discussed in the public meetings from each community.
- The Governance Subcommittee reported on their meeting. It was explained the Subcommittee reviewed the Plan as pertains to Governance and examined the legal review. It was stated there have been some additions to the Plan. One change was to confirm that the population changes would be recognized by the RSU reviewing population growth periodically. The Plan also has language for the board to consider board participation training as there will be staggered positions within the RSU board. The Governance Subcommittee felt this was important. It was asked if there was an estimate of costs on training. It was explained that CARVER seminars range \$6,000 per person for a day of training and up to \$20,000 for three-days of training. It was explained CARVER was only looked at as a sample. It was explained there are various people within the state who are skillful in the CARVER model and may be interested in training boards. There was some discussion of various types of training and what would be the most important aspects for the RSU board.
- The Employee Subcommittee reported on their meeting. The Subcommittee reviewed the legal requirements. It was explained that all

contracts within the three communities are under MEA which would simplify negotiations of staff under the current laws. The Subcommittee added language in the Plan regarding land return. School choice was also discussed and re-clarified. It was explained that Pownal does have some exceptions regarding school choice and they are now represented within the language. There was also an addition to the Plan regarding school assignment language which was passed at the last meeting.

- There was an open discussion of the Plan. It was stated some members of the RPC would like to discuss pieces of the law being decided. It was stated that among the stumbling blocks was school choice and the community of Durham showed good faith by passing their referendum. The other stumbling block was the legislation regarding super unions. It was stated the new bill introduced in the Legislature also implies the same idea. It was stated the RPC has worked very hard and has not diverted attention from their charge and now there could be an alternative. Some members feel uncomfortable with the introduced legislation. It was asked what the other options are for the RPC. It was stated the RPC was forced to confront many issues and now essentially will not have to if this bill passes. It was stated the RPC started with legislation designed during a budget process with fundamental changes done in the 11th hour. Clarifications were promised in December and are now being discussed in the last few hours again. It was explained this is frustrating to the RPC not knowing what the ground rules are but having to deliver a Plan for approval. It was stated if there is any opportunity the RPC should submit the Plan that has been developed and have voters decide. It was suggested that each community decide if this would be the best plan, even with the flexibility of new legislation. It was stated the RPC should view alternatives if the bill is passed by the Legislature. It was asked if there would be sufficient reworking with the Plan if the RPC viewed some of the alternatives. It was stated no matter what the RPC has worked diligently at what the best scenario would be for the three communities. It was stated the members don't know that the options introduced in the Legislature are vastly different from what is currently being decided. It was explained the RPC is not aware how much flexibility will be within the introduced legislation. Bob explained the RPC needed to direct comments regarding feels and use this reaction time appropriately and try to stay away from rebuttal. It was stated the Finance Subcommittee did have a starting point because the state required communities to use validation. It was explained the Subcommittee may not have started with those pre-conceived notions if it was not dictated. The process would have been different if there was more flexibility within the structure guided by the state. It was stated the RPC had not been reflective as they had not been given the opportunity. It was asked whether it be worth the RPC's time to allow some time to reflect and gauge thoughts. It was stated the law really needs to be reviewed and brought to the legislature before anyone can decide what it means exactly. It was stated some members of the RPC would hate to be shackled by decisions made by the Legislature. It was stated some members feel the RPC is wasting it's time currently even though

there may be some rough ideas of what alternatives are. It was suggested that each town give their visions for consolidation. It was stated some members can not imagine the state would allow much leeway and it would be frustrating to start the process over again. It was explained there were preceding committees that did the leg work and each community did discuss their visions. There are notes from those committees. It was explained that some of the exercises suggested were already done which is why the three communities put in notice of intent. It was stated it is difficult to tell communities that the RPC is presenting the best plan available. It was stated the RPC still has not explained to the communities what will happen in ten years if they do not consolidate. It was explained that point needs to be communicated to the public. It was asked how far back members of the RPC were willing to go if the new piece of legislation was passed. It was asked what the new legislations would change for the RPC's ultimate goal and that it may change the structure potentially. It was stated the RPC was already addressing issues of local control for communities so the new bill should not change the decisions of the RPC hugely. The RPC just may need to adjust the Plan in order to address concerns within the communities. It was stated the communities need to look at other possibilities once the state addresses how much flexibility communities will have. It was stated that all the speculation was a waste of time and until the bill is passed and the law can be reviewed the RPC is just "spinning their wheels". It was explained the bill will be decided by the end of the week. It was suggested the RPC wait to meet until the law has been decided on. It was explained the Legislature should provide the criteria and the bill should be defined once passed. A member thanked others for reminding that there were meetings before this committee was formed and there was interest in minutes. It was stated some members would like to hear feedback of those meetings and whether or not any other benefits were identified by those meetings. It was explained that Elaine had the minutes of Freeport and Shannon had the minutes for Durham as well. It was stated the RPC may not have a need to rediscover themselves. It was suggested that members take the time between now and the next meeting to review or reflect on what the other possibilities that were considered. It was stated the committee needs to give the community reason of why the RPC continues to believe this is of benefit to all three communities. It was stated the RPC would not be doing their job if all options were not considered. It was suggested that if there is no clarification from the Legislature that makes the RPC discussions relevant the meeting should be postpone. It was asked if members could make meetings on April 30th and May 7th and there was a tentative consensus. It was explained that any information given from the State would be passed on so that the committee can ponder reflection. It was suggested that any information given would have the perspective of what the impacts are for the RPC. It was stated the RPC will need to determine this for themselves and that Bob can give his view. It was explained the RPC needed an executive summary of the law and what all alternatives will be regarding consolidation. It was suggested the RPC should begin the next discussion

with why consolidation is beneficial for all three communities. It was felt that some of the positive thinking that guided the RPC is not being articulated at this point. It was suggested this also be discussed at another meeting. It was stated the RPC is started this procedure because there was no other options and that people in the communities still feel this way. It was explained that the prospect may not have been started in the most convincing way but after all of the work that has been accomplished the consolidation of these three communities does have merit and this needs to be explained to public. Bob stated the committee could have chosen to create a plan to fail, but the committee has not done that. It is now up to the RPC to articulate why this consolidation should work. It was recommended the RPC members start thinking of these reasons. It was stated the Steering Committee would create a timeline for the RPC to review.

- The meeting adjourned at 9:05pm.

Minutes from Finance Subcommittee's meeting on April 15, 2008

The meeting convened at 6:00 pm with all members present. Mr. Kautz, facilitator of the RPC committee and Tim Giddinge, a member of the RPC also were in attendance.

The focus of the meeting was the six scenarios that were presented to the RPC the week before and how those scenarios could be modified or new ones created to take into account concerns expressed at the meeting or in the earlier public meetings.

Mr. Palmer circulated an exhibited created from data in the model that showed the breakdown of operating costs and debt for each of the scenarios for year one. Conversation ensued, using Pownal as an example, on how the debt allocation changed from the committee's initial view to the scenario that did not share elementary and middle school debt. The change in debt allocation for Pownal was approximately \$9,000.

There was discussion regarding how scenarios 4 and 6 did not work because they put too much of a burden in the form of cost shifting on one of the partners. In scenario 4 too much of the costs shifted to Durham while scenario 6 made the cost allocation too disproportionate to the student ratio for Freeport.

It was agreed that a blending of allocation methods needed to be evaluated and that while logic supported an allocation based on per pupil the resulting cost shifting among partners would not be acceptable. It was agreed to create scenario 7 such that the Additional Local Monies (ALM) would be allocated using both the baseline ALM percentages determined by the committee and the per pupil methodology. This blending of allocation methods would start in year 4 and would most likely be capped at some percentage to keep the cost shift reasonable among the partners. It was also agreed that variations of this scenario should be viewed. The variations would include phasing in of the elementary and middle school debt starting in year 3 vs. year 1 in the committee's initial view.

In regard to making a recommendation to the RPC at its April 16 meeting it was agreed that no recommendation should be made until the committee had reviewed and discussed the new scenario to be developed.

The meeting adjourned at 9:10 pm.

Minutes from Finance Subcommittee's meeting on April 29, 2008; Pownal Elementary

The meeting convened at 7 p.m. with members Palmer, Ruprecht and Schumann present. Mr. Kautz also was in attendance.

Mr. Schumann updated the group on revisions to the financial model made since the last meeting to provide further analysis and illustration in connection with the newest cost-sharing scenario (Scenario 7), which phases in to a per pupil cost sharing method over an extended period of time.

An extended discussion was held concerning the potential under LD 2323 for alternative configurations, a principal agenda item for the April 30 RPC meeting. The subcommittee discussed a general outline of a plan that would be more union-like for the three towns' elementary schools, while maintaining the RSU structure for operation of the high school. The subcommittee discussed pros and cons of such an approach, as well as obstacles to approval that might exist under LD 2323. It was generally agreed that such an alternative should be put out for discussion to the RPC as a whole, not to foreclose other alternative structures but as a way to focus meaningful discussion around the potential for exploring an alternative structure.

The subcommittee turned back to financial analysis around various alternative cost-sharing scenarios. The subcommittee did not arrive at a recommendation for a particular method, but ruled out three of the current seven scenarios (share debt on a per-pupil basis, share high school costs on a per-pupil basis, and share all additional local monies on a per-pupil basis); it was the view of the subcommittee that each of those rejected scenarios is too punitive to Durham and therefore not in the best interest of the RSU. The subcommittee's further discussion and analysis will focus on the two more recently-developed approaches, Scenario 2 (debt sharing at the high school level only) and Scenario 7 (described above), as well as Scenario 1 (the subcommittee's initial recommendation) and Scenario 6 (valuation basis, the default method under the consolidation law).

The subcommittee discussed the approach for changing the cost-sharing method. The consensus of the subcommittee was that the cost-sharing method should be subject to change in one of two ways: (1) by a 2/3 vote of the RSU Board, or (2) by a majority vote of the RSU population. The need for changed language in the current draft of the plan to achieve that result was discussed.

It was reported that a question was raised outside the subcommittee about the viability of exploring a plan that would consolidate Freeport and Pownal only, with Durham having a tuition arrangement at the high school. It was generally agreed that such a proposal is not within the charge of the current RPC to consider and would not be likely to gain approval from DOE; personal unwillingness to consider such a proposal also was expressed based on a view that it would not be within the bounds of fair dealing with Durham as a partner in this long process of consolidation negotiations. The consensus of the subcommittee was that it would not consider such a proposal.

The meeting adjourned at 9 p.m.

Respectfully submitted by S.Brewer 4.13.08