

## Reorganization Plan Cover Sheet

(Please attach Reorganization Plan as Exhibit A)

Required Elements							
Law Reference Item Number Sub-Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier <sup>1</sup>	Need Assistance <sup>2</sup>
3.A(1)	SAUs included in RSU		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(2)	Size of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Composition of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Apportionment of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(3)	Method of voting of the governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(4)	Composition of local school committees	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Powers of local school committees	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Duties of local school committees	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(5)	Disposition of real & personal school property		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(6)	Disposition of existing school indebtedness (if not using provisions of section 1506)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disposition of lease-purchase obligations (if not using provisions of section 1506)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(7)	Assignment of school personnel contracts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of school collective bargaining agreements		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of other school contractual obligations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(8)	Disposition of existing school funds and existing financial obligations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(9)	Transition plan that addresses the development of a budget for the first school year		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Transition plan that addresses interim personnel policies		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(10)	Documentation of the public meeting(s) held to prepare or review reorganization plan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(11)	Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(12)	Estimate of cost savings to be achieved		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(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		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

<sup>2</sup> Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

Parameters for Plan Development							
Law Reference Item Number Sub-Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier <sup>3</sup>	Need Assistance <sup>4</sup>
3.B(1)	Enrollment meets requirements (2,500 except where circumstances justify an exception <sup>5</sup> )		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-36, Parameter B	When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(2)	Comprehensive programming for all students grades K - 12.		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Includes at least one publicly supported high school		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(3)	Consistent with policies set forth in section 1451		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(4)	No displacement of teachers		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No displacement of students		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-26, Parameter F	The plan must address how the school administrative unit will reorganize administrative functions, duties and noninstructional personnel so that the projected expenditures of the reorganized school unit in fiscal year 2008-2009 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program <sup>6</sup>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collaborative Agreements							
						Yes	No
Does your plan currently include information/documentation on collaborative agreements? (not required, but encouraged)						<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Exceptions to 2,500 minimum**

**Actual number of students for which the SAU is fiscally responsible: \_\_\_\_\_**

Exception	Exception Claimed in Plan	Documentation Provided? (Please attach as Exhibit B)	
		Yes	No
Geography	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demographics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Population Density	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Unique Circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>3</sup> Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

<sup>4</sup> Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

<sup>5</sup> Please note in the *Exceptions to 2500 minimum* section on next page

<sup>6</sup> This requirement is only for those who plan to be operational as an RSU in fiscal year 2008-2009, in accordance with a Reorganization Plan that is approved by the Commissioner and by the voters.

**Explanation of Barriers –**

Please use this section to explain any/all barriers identified on the previous page as a barrier in completing your Reorganization Plan.

Law Reference/Required Element	Explanation of the barrier
	See Section 13-B of RSU Plan.

**Assistance Needs –**

Please use this section to describe your needs for assistance and from whom you need assistance.

Law Reference/Required Element	Explanation of your assistance need	Assistance needed from whom?

# REORGANIZATION PLAN SUBMITTAL SHEET

(Each municipality in a School Union must be indicated separately.)

School Administrative Units Included in <b>APPROVED</b> Notice of Intent	School Administrative Units Submitting Reorganization Plan
SAD #51, Cumberland, North Yarmouth	SAD #51, Cumberland, North Yarmouth
Falmouth	Falmouth
Yarmouth	

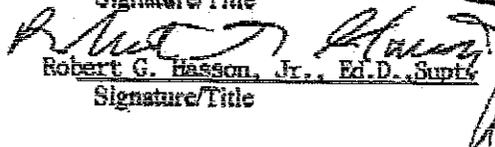
Contact Information:

RPC Chair

Name: Beppie Cerf  
 Address: 12 Landing Woods Lane  
Falmouth, ME 04105  
 Telephone: 781-3016  
 email: bepcerf@aol.com

Date Plan Submitted: 1/15/08

Proposed RSU Operational Date: July 1, 2009

	1-14-08	Falmouth
Signature/Title	Date	SAU
 Robert G. Hasson, Jr., Ed.D., Supt.	1/11/08	SAD #51
Signature/Title	Date	SAU

Falmouth School Department  
Maine School Administrative Unit #51

January 15, 2008

Commissioner Gendron  
Department of Education  
23 State House Station  
Augusta, ME 04333-0023

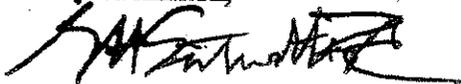
Dear Commissioner Gendron:

Please find enclosed for submission by the Falmouth School Department and MSAD # 51 (with member municipalities, the Town of Cumberland and the Town of North Yarmouth) Plan to reorganize into a single New Casco Bay School District, with an operational date of July 1, 2009.

Please note that this Plan includes cost-sharing provisions that are intended to remove financial barriers to reorganization. These provisions do not currently conform to the State's school district reorganization law, Public Law 2007, Ch. 240, Part XXXX. By the Plan's terms, it may not be submitted to voter referendum until its cost-sharing provisions are authorized by State law. In that regard, it appears that the Department of Education's proposed bill, SP 741, LD 1932, entitled "An Act to Amend the Laws Regarding School Funding," if enacted, will authorize the Plan's cost-sharing provisions.

We look forward to your response by February 1, 2008 as to whether this Plan has your approval.

Respectfully submitted,



George Entwistle, Superintendent  
Falmouth School Department



Robert Hasson, Superintendent  
Maine School Administrative District # 51

**Plan to Reorganize  
the Falmouth School Department  
and MSAD # 51 into  
the New Casco Bay School District**

January 15, 2008

Submitted to the Commissioner of Education  
for the State of Maine by:  
The Falmouth School Department and  
Maine School Administrative District # 51

# **Plan to Reorganize the Falmouth School Department and MSAD # 51 into the New Casco Bay School District**

This Plan proposes the reorganization of the Falmouth School Department and Maine School Administrative District ("MSAD") # 51 (also collectively referred to as "SAUs") into a single Regional School Unit ("RSU"), entitled the New Casco Bay School District ("District").

The Plan has been prepared by the Falmouth/MSAD #51 Reorganization Planning Committee, and is submitted by the Falmouth School Department and MSAD #51 to the State Commissioner of Education for approval before being brought to a vote by referendum. Under its terms, the Plan may not go to referendum unless and until its provisions related to cost-sharing and cost-shift set-offs are permitted by State law.

## **The Members of the Falmouth/MSAD #51 Reorganization Planning Committee are:**

Committee Chair Beppie Cerf (Chair, Falmouth School Board);  
Committee Vice-Chair Susan Campbell (MSAD # 51 Board, Cumberland);  
Committee Vice-Chair David Perkins (MSAD # 51 Board, North Yarmouth);

Superintendent George Entwistle (Falmouth School Department), non-voting Member;  
Superintendent Bob Hasson (MSAD #51), non-voting Member;

Mark Fortin (Cumberland Citizen Representative);  
Anne Graham (North Yarmouth Town Selectmen);  
Kathy Hillman-Reed (Vice-Chair, Falmouth School Board);  
Peggy McGehee (Falmouth Citizen Representative);  
Lincoln Merrill (North Yarmouth Citizen Representative);  
Shirley Storey-King (Cumberland Town Council);  
George Turner (Cumberland Town Council); and,  
Joe Wroblewski (Falmouth Town Council).

**Contact Information:** Beppie Cerf,  
Chair, Falmouth School Board  
51 Woodville Road  
Falmouth, ME 04105  
tel. no. 781-3200;  
[www.falmouthschools.org](http://www.falmouthschools.org); [bepcerf@aol.com](mailto:bepcerf@aol.com)

Peter Bingham,  
Chair, MSAD #51 Board of Directors  
P.O. Box 6A  
Cumberland Center, ME 04021  
tel no. 829-4800;  
[www.msad51.org](http://www.msad51.org); [peter.bingham@energyeast.com](mailto:peter.bingham@energyeast.com)

**Date Submitted by the Falmouth School Department and MSAD # 51:**

December 1, 2007 (Work-in-Progress Plan)

January 15, 2008 (Final Plan)

**Name of the Regional School Unit ("RSU")**

New Casco Bay School District

**Proposed RSU "Operational" Date:**

July 1, 2009

**1.A. The Units of School Administration in the New Casco Bay School District.**

The proposed regional school unit, the New Casco Bay School District, includes the following current school administrative units:

- A. Falmouth School Department, a municipal school unit;
- B. Maine School Administrative District # 51, with the member municipalities of Cumberland and North Yarmouth.

**1.B. Statement of Intent of the New Casco Bay School District**

This Plan to reorganize the Falmouth School Department and MSAD #51 into the New Casco Bay School District is intended to comply with state statutory requirements to reduce school administrative costs. It is also intended to serve as a means for deeper, broader and more creative educational opportunities for the students of Cumberland, Falmouth and North Yarmouth. Further, it is intended to provide for equity and fairness for its member municipalities.

**1.C Mission Statement for the New Casco Bay School District**

The mission of the New Casco Bay School District is to reenergize community commitment to education and enhance educational programs by marshaling resources wisely, creatively, equitably and cost-effectively. The New Casco Bay School District will strive to:

- bring out the best in each student's intellectual, ethical, creative and physical development;
- provide talented and dedicated faculty and encourage parent and community involvement, as fundamental to each student's success;
- provide exceptional facilities for academics, athletics and the arts;
- ensure a safe and respectful environment where all feel a sense of belonging;
- value the diversity of belief and experience that each student brings, and
- promote in each student, personal integrity, intellectual vitality, good citizenship, discipline and respect for themselves and others.

### **1.D. Potential Educational Program Enhancements from Reorganization into the New Casco Bay School District:**

Consistent with the goal of achieving long term cost savings from school district reorganization, the Plan recommends that the New Casco Bay School District Board consider implementing educational program enhancement measures that can be achieved from the District's greater collective resources, economies of scale and larger student body. Members of the Reorganization Planning Committee, teachers, parents, community members, administrators and students have suggested the following "wish list" educational program enhancement measures for consideration by the new RSU Board. In listing these suggestions, the Reorganization Planning Committee takes no position as to whether they should be implemented:

1. Provide "traveling teacher" positions for specialty courses, as in languages and mathematics;
2. Create with adult volunteer support such additional extra-curricular activities as a debate club, Shakespearian theatre program, poetry club, Model United Nations, and a satire publication;
3. Expand Cumberland and North Yarmouth's all day kindergarten to an all day kindergarten for Falmouth;
4. Provide additional AP courses;
5. Develop an International Baccalaureate program;
6. Share Falmouth's performing arts center;
7. Share Cumberland's swimming pool;
8. Create "magnet" centers for programs requiring investment in specialized equipment;
9. Develop a school campus model with, for example, a school science center;
10. Allow students to choose which school to attend within the District;
11. Use school district consolidation to foster better communication and transparency in decision making;
12. Maintain neighborhood schools;
13. Share visiting artists/art enrichment;
14. Share/streamline special education services;
15. Allocate/collaborate on technological resources; and,
16. Collaborate with local colleges and community colleges for program enhancements.

**In January 2008, the superintendents, assistant superintendent, curriculum director, special education directors and the principals of the Falmouth and MSAD #51 elementary, middle and high schools met and developed the following list of Potential Opportunities for Students and Staff from school district reorganization:**

#### **Potential Opportunities for Students**

##### **Overview: K- Grade 12:**

“Customer” size (i.e., USM, SMCC courses and relationships)  
More modern and classical language options (student choice)  
International Baccalaureate (IB) program opportunities  
HS specialized focus and choice – academics  
Alternative programming vs. out of district  
Special education/gifted and talented evaluation and programming

Shared services for small populations of students – staff vs. consultants  
Opportunities for pre-K student programs  
Summer academy – support, enrichment  
Community resources/3 towns  
Service learning opportunities  
Common calendar

**K – Grade 5:**

Assistance with full day kindergarten and foreign language programs  
K-5 magnet schools or programs – changing grade configurations  
Special education programming  
More choice for students

**Grade 6 – Grade 8:**

Unique strengths at each school shared with other schools  
Unique opportunities afforded by physical spaces  
Common classes (singletons)  
After school/evening programs  
Modern language offerings  
P.T.O.

**Grade 9 – Grade 12:**

IB Program  
AP offerings  
Foreign languages extended resources: Latin, Mandarin Chinese, ASL  
Theater/pool opportunities  
PE/Wellness offerings  
Internships/learning outside school  
ATM facilities  
Academy model with academic focus  
Student summer support

**Special Education:**

Day treatment for students with mental health issues  
Assessment teams (psychiatric, OT, PT, speech, etc.)  
Vocational programming opportunities  
Behavior management – social work services  
After school social opportunities for life skills students  
Summer programming

**Potential Opportunities for Staff**

**Overview: K – Grade 12:**

“Customer” size (i.e., USM relationships)  
Professional development focus and support  
Curriculum and data comparisons  
Staff placements to support professional learning/internal sabbaticals  
Allied arts teams expanded  
Principals have increased support

Content area teams increase – better thinking  
Graduate courses  
Wellness programs  
Induction: recruiting/retention initiatives  
Innovative compensation packages/contracts (benefits)  
Common calendar

**K – Grade 5:**

More professional development choices for staff  
Increase our expertise/knowledge  
Teacher options – looping, teaming, science specialization  
Specialists have job-like peers  
Response to Intervention (RTI) strategies

**Grade 6 – Grade 8:**

Shared and collaborative professional development opportunities (MS specific)  
Co-planning professional development  
Using teacher/staff strengths (i.e., literacy, math)  
Peer observation/coaching  
Leadership collaboration (administrative support network)  
Common issues that are MS specific  
Best practices within each building  
Shared staff  
Best of mission/vision

**Grade 9 – Grade 12:**

Combined professional development opportunities (literacy, writing across the curriculum, IB or AP training, college course on site, summer planning retreat)  
Sharing best practices with colleagues (early release or in service, professional learning communities)  
Meaningful administrative collegiality and support

**Special Education:**

Assessment teams (psychiatric., OT, PT, speech, etc.)  
Staffing flexibility  
Training opportunities  
Sharing of expertise

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

The New Casco Bay School District Board shall be composed of 9 Members: 4 Falmouth residents elected by the Town of Falmouth, 3 Cumberland residents elected by the Town of Cumberland and 2 North Yarmouth residents elected by the Town of North Yarmouth. Each Board Member shall serve a 3-year term, except that the initial terms of the members of the first RSU Board shall be staggered as provided by Title 20-A M.R.S.A. § XXXX-40 below:

**Falmouth:**

- 1 Member: 1 year initial term
- 1 Member: 2 year initial term
- 1 Member: 3 year initial term
- 1 Member: 3 year initial term

The 4 initial members elected by the Town of Falmouth shall meet and draw lots to determine which of them will have a 1, 2 or 3 year initial term.

**Cumberland and North Yarmouth:**

- 1 Member: 1 year initial term
- 1 Member: 2 year initial term
- 1 Member: 3 year initial term
- 1 Member: 1 year initial term
- 1 Member: 2 year initial term

The 5 initial members from the Towns of Cumberland and North Yarmouth, being the 3 members elected by the Town of Cumberland and the 2 members elected by the Town of North Yarmouth, shall meet and draw lots to determine which of them will have a 1, 2 or 3 year initial term.

**3. The Method of Voting of the Governing Body.**

Each municipality in the New Casco Bay School District shall elect the number of its residents to serve on the Board as shown in the Table below to meet the one person/one vote requirement of Maine's Constitution, and the statutory deviation tolerance of +/- 2%, the Board Members' votes shall be weighted as follows.

Municipality	Population	# of Board members	# of Votes	Votes per member
Falmouth	10,557	4	486	122
Cumberland	7,653	3	352	117
North Yarmouth	3,506	2	161	81
<b>TOTALS</b>	<b>21,716</b>	<b>9</b>	<b>1000</b>	

**4. The Composition, Powers and Duties of any Local School Committee to be created.**

No local school committee shall be created by the New Casco Bay School District. The Falmouth and MSAD #51 School Boards shall continue with the management and control of the public schools and programs until the New Casco Bay School District becomes operational on July 1, 2009.

## **5. The Disposition of Real and Personal School Property.**

A. Real Property and Fixtures. Except as listed in Exhibit 5-A, 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 Falmouth School Department and MSAD # 51 shall be conveyed to the New Casco Bay School District. The RSU Board may require such deeds, assignments or other instruments of transfer as in its judgment is necessary to establish the District's right, title and interest in such real property and fixtures.

The real property interests and associated fixtures that shall not be transferred are listed in Exhibit 5-A. All real property and fixtures not listed in Exhibit 5-A shall be transferred to the New Casco Bay School District. The disposition of the non-transferred property, if any, shall become the property of the municipality in which it is located, unless otherwise specified in this Plan.

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 New Casco Bay School District as successor of the Falmouth School Department and MSAD # 51, except as listed in Exhibit 5-B.

The New Casco Bay School District Board may require such assignments, bills of sale or other instruments of transfer as in its judgment is necessary to establish the District'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 New Casco Bay School District 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.

## **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.**

A. Bonds, Notes and Lease Purchase Agreements that the District Will Assume. The New Casco Bay School District shall assume liability to pay the bonds, notes and lease purchase agreements as specified in Exhibit 6-A.

Additionally, other bonds, notes and lease purchase agreements issued by an SAU before the operative date of New Casco Bay School District shall be assumed by the District, 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 New Casco Bay School District Will Not Assume. Pursuant to 20-A M.R.S.A. § 1506(4), the New Casco Bay School District does not assume the bonds, notes and lease purchase agreements specified in Exhibit 6-B, which shall continue to be paid by the original members of the SAU indicated, and the New Casco Bay School District shall serve as fiscal agent for the SAU for that purpose.

C. New Capital Project Debt that the New Casco Bay School District Will Issue and Assume. If the voters or other applicable legislative body of an SAU has authorized the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the New Casco Bay School District Board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the District shall assume liability to pay the bonds, notes and lease purchase agreements listed in Exhibit 6-C.

D. New Capital Project Debt that the New Casco Bay School District Will Issue But Will Not Assume. If the voters or other applicable legislative body of an SAU has authorized the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the New Casco Bay School District Board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the District will not assume liability to pay the bonds, notes and lease purchase agreements listed in Exhibit 6-D.

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

F. Other Debt Not Assumed. Except as provided in this section of the Plan, the New Casco Bay School District will not assume liability for any bonds, notes or lease purchase agreements issued by an SAU prior to the operative date of the District.

G. Chebeague Island Debt Service. The debt service payments by the Town of Chebeague Island, pursuant to its secession from the Town of Cumberland, shall be applied as required by the terms of secession, to MSAD # 51 debt obligations.

## **7. The Assignment of School Personnel Contracts, School Collective Bargaining Agreements and Other School Contractual Obligations.**

A. School Personnel Contracts. A list of all written individual employment contracts to which each of the existing Falmouth School Department and MSAD # 51 is a party is attached as Exhibit 7-A.1. Pursuant to Section XXXX-43(5) of Title 20-A M.R.S.A., individuals on the list who are employed on the day before the operational date shall become employed by the New Casco Bay School District as of the operational date, and their contracts shall be assumed by the District on the operational date. This provision does not prevent the existing Falmouth School Department and MSAD # 51 from terminating or non-renewing the contracts of employees in accordance with applicable law before the operational date of the District. The list shall be updated and made final no later than the day before the operational date of the District.

A list of all employees of the existing Falmouth School Department and MSAD # 51 who do not have written individual employment contracts is attached as Exhibit 7-A.2. 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 New Casco Bay School District as of its operational date. This

provision does not prevent the existing Falmouth School Department and MSAD # 51 from terminating employment of the employees in accordance with applicable law before the District's operational date. The list shall be updated and made final no later than the day before the operational date of the District.

The duties and assignments of all employees transferred to the New Casco Bay School District shall be determined by the Superintendent of the District or his/her designee.

B. School Collective Bargaining Agreements. The collective bargaining agreements listed in Exhibit 7-B, as to which the Falmouth School Department and MSAD # 51 are a party, shall be assumed by the New Casco Bay School District as of its operational date. All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the District as of the District's operational date.

C. Other School Contractual Obligations. A list of all contracts to which the Falmouth School Department and MSAD # 51 are a party and that will be in effect as of the District's operational date is attached as Exhibit 7-C.1. The New Casco Bay School District shall assume the contracts listed in Exhibit 7-C.2 as of the operational date.

The Falmouth School Board and its Superintendent and MSAD # 51 Board and its Superintendent shall seek to terminate or negotiate for termination of the contracts listed in Exhibit 7-C.3 prior to the District's operational date:

**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) of Title 20-A M.R.S.A., 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 Falmouth School Department and MSAD # 51 for any year prior to the year the New Casco Bay School District 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 New Casco Bay School District to satisfy its remaining existing financial obligations, and the District Board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the District sufficient funds to

satisfy its existing financial obligations, then to the extent permitted by law, the District Board may satisfy those obligations from balances that the SAU transfers to the District. If the available balances transferred are insufficient to satisfy the SAU's existing financial obligations, or are not legally available for that purpose, the District Board may take any action permitted by law so that all of the municipalities of the District are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the New Casco Bay School District 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 New Casco Bay School District Board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the District 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 District's approved budget) to those District 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 District.

B. Remaining Balances. The balance remaining in SAU school accounts after satisfying existing financial obligations in accordance with this Plan shall be paid to the treasurer of the New Casco Bay School District, verified by audit and used to reduce that SAU's contribution as provided by Section XXXX-43(4), except as otherwise provided in this Plan. Unless the Legislature otherwise provides, in the case of MSAD # 51, the MSAD # 51 Board shall specify in writing to the New Casco Bay School District Board how the District shall allocate transferred remaining balances between MSAD # 51's members, Cumberland and North Yarmouth. Unless the Legislature otherwise provides, if MSAD # 51 has not specified in writing to the New Casco Bay School District Board how this allocation shall occur, then the transferred remaining balances shall be credited to Cumberland and North Yarmouth in proportion to their respective shares of that portion of the total local costs of the District allocable to MSAD # 51's members for the operational year.

Transfers of remaining balances may occur within the period specified by Section XXXX-43(4), or, as may be preferable in the case of MSAD # 51, at any time before it has closed its accounts and ceased normal operations.

C. Reserve Funds. Falmouth School Department and MSAD # 51 shall transfer remaining balances of reserve funds to the New Casco Bay School District, except as otherwise specified in this Plan. 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 District.

D. Scholarship Funds. Falmouth School Department and MSAD # 51 shall transfer remaining balances of scholarship funds to the New Casco Bay School District. Scholarships shall be limited to the original pool of potential recipients, and distributed in the manner as to which they were intended, unless otherwise provided by the donor or by applicable law.

E. Trust Funds. Falmouth School Department and MSAD # 51 shall transfer trust funds to the New Casco Bay School District. The District Board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.

## **9. A Transition Plan and Timetable for the New Casco Bay School District.**

### **A. The Plan's Guiding Principle to Minimize Disruption during School District Reorganization: Creation of a pre-reorganization Transition Committee.**

A guiding principle of the Plan is to ensure that the reorganization of the Falmouth School Department and MSAD # 51 into the New Casco Bay School District minimizes as much as possible any disruption to the schools' educational programs.

The Reorganization Planning Committee shall dissolve on the date of final approval of the RSU Plan by the Commissioner of Education. On or before February 1, 2008, the Falmouth and MSAD # 51 School Boards shall jointly create a successor RSU Transition Committee, and shall appoint its members, which shall include the SAUs' Superintendents, Business Managers, School Board Chairs and Board Finance Committee Chairs, representatives of the member municipalities, and such other persons as the School Boards determine to be appropriate. The RSU Transition Committee shall convene upon the dissolution of the Reorganization Planning Committee, and will undertake such tasks as the following:

- In accord with Section 12, undertake a methodical, detailed and comprehensive analysis to project transition costs and long-term savings from reorganization, and how such savings will be achieved. The analysis is to be completed in time for review by voters prior to the June, 2008 Plan referendum, and should include a comparison of projected tax impacts with school reorganization to projected tax impacts without school reorganization.
- Participate in the SAU Boards' preparation of their respective budgets for fiscal year 2008-2009, and propose that provision be made in the SAU budgets for funding transition costs in FY 2008-2009 to support the work of the RSU Board until it is operational in FY 2009-2010, to be paid by the member municipalities in proportion to their populations as specified in Exhibit 13-B.1;
- Advocate, as may be timely and appropriate, for adoption by the State Legislature of an amendment to Title 20-A M.R.S.A. or adoption of other legislation to authorize the provisions of the Plan related to cost sharing and cost shift offset measures;
- Provide information to the voters of Cumberland, Falmouth and North Yarmouth regarding the Plan; and,
- Complete such other pre-reorganization tasks as may be appropriate.

The RSU Transition Committee shall be dissolved on or before the initial convening of the New Casco Bay School District Board.

## **B. Reorganization Timetable.**

The timetable for adoption and implementation of the reorganization Plan is as follows:

- **December 1, 2007:** Submit work-in-progress reorganization Plan to form the New Casco Bay School District to the Commissioner of Education for provisional approval by the Commissioner by December 15, 2007;
- **January 15, 2008:** Submit final reorganization Plan to form the New Casco Bay School District to the Commissioner of Education for approval by February 1, 2008;
- **February 1, 2008:** The Falmouth and MSAD #51 appoint members of the RSU Transition Committee;
- **February 1, 2008 or thereafter:** On the date of final approval of the reorganization Plan to form the New Casco Bay School District by the Commissioner of Education, the Falmouth/MSAD #51 Reorganization Planning Committee shall be dissolved, and the RSU Transition Committee will convene;
- **June 10, 2008:** The reorganization Plan to form the New Casco Bay School District is submitted by referendum to the voters of MSAD # 51 and Falmouth;
- **November 4, 2008:** The RSU Board members are elected;
- **November 2008-Spring 2009:** RSU Board hires a superintendent, consolidates policies and procedures, develops an RSU Budget for FY 2009-2010;
- **Spring 2009:** Referendum Validation Process for the RSU Budget, FY 2009-2010;
- **July 1, 2009:** The RSU is operational.

## **C. Transition Plan for the RSU, from FY 2008-2009 to FY 2009-2010.**

The New Casco School Bay District Board of Directors shall establish interim rules of procedure and shall elect interim officers who shall serve until officers are elected at a meeting following the operational date of the District.

The RSU Board shall select a Superintendent of Schools in accordance with Section 1051 of Title 20-A. During the interim period, the salary, office and other expenses of the Superintendent, as well as the cost of the RSU Board, including insurance, shall be allocated to the SAUs as provided below.

The RSU Board shall propose and approve a recommended budget in accordance with 20-A M.R.S.A. § 1482 for the first operational year for submission to the voters of the District. The budget format, approval procedures and assessments for the District's first operational year budget shall be in accordance with 20-A M.R.S.A. §§ 1482-1489. The RSU Board shall have all necessary authority for those purposes. This shall be considered the first year of use of the budget validation referendum process for purposes of determining the continued use of the budget validation referendum process every three years pursuant to Section 1486(1).

The RSU Board shall be authorized to take all other actions and shall have all other authority provided under State law to prepare for the RSU to become operational on July 1 of the first operational year; including the authority to open and maintain accounts, to incur expenses not to exceed \$75,000 to be allocated among the SAUs in accordance with their proportionate population, as stated in Exhibit 13-B.1; and to file applications for school construction projects and revolving renovation fund loans and other available funding.

**D. Transition Plan for Personnel and Other Policies.**

All personnel and other policies existing in the previous Falmouth School Department and MSAD #51 shall continue to apply (and with the personnel policies, to the same employment positions) after they become part of the New Casco School District until such time as the RSU Board and Superintendent develop and adopt District-wide policies in accordance with applicable law, for application after the District's operational date.

**E. General Authority of the RSU Board to Implement the Plan**

The New Casco Bay School District Board shall be authorized to take all other actions and shall have all other authority provided under State law to implement fully the reorganization Plan, including the authority to open and maintain accounts, to incur expenses in accordance with the approved budget to be allocated among the member municipalities in accordance with the provisions of Section 13-B.1, and to file applications for school construction projects and revolving renovation fund loans and other available funding.

**10. Documentation of Public Hearings**

The following public hearings were held by the Reorganization Planning Committee regarding the reorganization Plan, as is documented in Exhibit 10:

<b>Date of Public Hearing</b>	<b>Time</b>	<b>Location</b>
November 13, 2007	7:00 p.m.	Falmouth High School
November 27, 2007	6:30 p.m.	Cumberland Town Hall
November 29, 2007	7:00 p.m.	North Yarmouth Town Hall
January 9, 2008	7:30 p.m.	Cumberland Town Hall

**11. Explanation of how Units that Approve the Reorganization Plan will Proceed if One or More of the Proposed Members of the New Casco Bay School District Fail to Approve the Plan.**

If the Plan is rejected by the voters of the Falmouth and MSAD # 51, the New Casco Bay School District shall not be formed under this Plan, and the Falmouth School Department and MSAD # 51 shall re-start the process to form a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to form another reorganization plan pursuant to Section XXXX-36(11) of Title 20-A M.R.S.A..

**12. An Estimate of the Cost Savings to be Achieved by the Formation of a New Casco Bay School District and How these Savings will be Achieved.**

The Reorganization Planning Committee does not include with the Plan an estimate of cost savings to be achieved by formation of the New Casco Bay School District such as will not have an adverse impact on the educational program. The January 15, 2008 deadline for submitting the Plan did not provide the Committee sufficient time to complete reliably such a complex analysis of projected transition costs and long-term savings. The attached Exhibit 12 consists instead of specific impact projections and methodologies intended to serve as a guide for the Committee's successor, the RSU Transition Committee (see Section 9), to undertake a methodical, detailed and comprehensive analysis to project such transition costs and long-term savings, and how such savings will be achieved. The RSU Transition Committee's analysis is to be completed in time for review by voters prior to the June, 2008 Plan referendum, and should include a comparison of projected tax impacts with school reorganization to projected tax impacts without school reorganization.

Without providing numeric projections, the Reorganization Planning Committee anticipates that the start-up costs of forming the New Casco Bay School District, including the cost of financial audits, legal services and systems reconciliation, will offset any initial cost savings. The Committee also anticipates that the economies of scale of a larger school district will result in long-term cost savings.

The Committee has been advised that the annual State penalty for failure to reorganize will be \$1,321,443 for the two school districts, as is explained in Exhibit 12. The Committee anticipates that the amount of the annual penalty will increase as the districts' property values increase.

**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.**

Under its terms, the Plan may not go to the MSAD #51 and Falmouth voters for a referendum unless and until its provisions related to cost-sharing and cost-shift set-offs are permitted by State law.

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

For the reasons stated in Section 12, the Plan does not submit plans to reorganize administration, transportation, building and maintenance, special education costs and identify cost savings. Such plans are to be included in the analysis completed by the RSU Transition Committee as described in Sections 9 and 12.

**13-B. Cost Sharing in the Regional School Unit**

To ensure that the sharing of costs of additional local funding of the New Casco Bay School District is equitable, the District shall apply the following cost-sharing provisions:

**1. Cost-sharing Formula: Four-Year Phase-in of a Cost Per Pupil Method of Allocating Among the District's Member Municipalities the Cost of Additional Local Funding.**

The intent of this Plan is to have the costs of additional local funding shared fairly and equitably among its member municipalities of Cumberland, Falmouth and North Yarmouth. To minimize any post-reorganization cost-shifting from one municipality to another, the allocation of additional local funding share shall be calculated on a cost-per-pupil basis, instead of the current SAU's allocation of such costs based on property valuation. (Note: the remaining 70% of local costs, the required local contribution, is still calculated by the State based on property valuation.) The District shall therefore phase-in over 4 years the cost-per-pupil method of allocating local additional funding costs, in accordance with the methodology used in Exhibit 13-B.1. The 4-year phase-in of the cost per pupil method reduces, but does not eliminate, cost-shifts among the member municipalities, as shown below:

**Year 1 (FY '10):** The additional local funds shall be allocated by the percent of additional local funds from each community in the previous year (FY '09). There shall be no cost shift.

**Year 2 (FY '11):** Two thirds of the additional local funds shall be allocated based on the previous year's percentage and one third shall be allocated on the percentage of pupils. The cost shifts would be +.51% (\$89,854) to Falmouth, +.44% (\$18,595) to North Yarmouth and -1.00% (-\$108,544) to Cumberland.

**Year 3 (FY '12):** One third of the additional local funds shall be allocated based on the previous year's percentage and two thirds shall be allocated on the percentage of pupils. The cost shifts would be +.51% (\$89,898) to Falmouth, +.44% (\$18,609) to North Yarmouth and -1.01% (-\$108,507) to Cumberland.

**Year 4 (FY '13):** All of the additional local funds shall be allocated based on the percentage of pupils. The cost shifts would be +.51% (\$89,944) to Falmouth, +.44% (\$18,624) to North Yarmouth and -1.02% (-\$108,473) to Cumberland.

Following the 4-year phase-in period, the number of pupils used in the cost-per-pupil method of allocating local additional funding costs shall be based on an average of the number of students in the two prior years.

Over the 4-year phase-in period, a cost shift is projected to occur from Cumberland to Falmouth in the cumulative amount of \$539,302, and from Cumberland to North Yarmouth in the cumulative amount of \$111,627. The cumulative cost shifts are calculated by adding the accumulated cost shifts in phase-in transition years 2, 3 and 4 (there being no cost shift projected for year 1). The calculation for Falmouth is:  $\$89,854 + (\$89,854 + \$89,898) + (\$89,854 + \$89,898 + \$89,944) = \$539,302$ . The calculation for North Yarmouth is:  $\$18,595 + (\$18,595 + \$18,609) + (\$18,595 + \$18,609 + \$18,624) = \$111,627$ .

**2. Cost-Shift Off-Set Provision:**

To provide Plan fairness and equity to the member municipalities, the cost shift in additional local funding projected in subsection 1 above shall be compensated by the off-set measures described in Exhibit 13-B.2, which are intended to compensate the cost shift in additional local funding projected for the Town of Falmouth in subsection 1 above, and which shall be implemented at such time as the RSU becomes operational.

**13-C. Election of initial board of directors.**

Within 30 days of the issuance of a certificate of organization for the New Casco Bay School District by the State Board of Education, the members of the school boards of the Falmouth School Department and MSAD # 51 shall conduct a joint meeting for the purpose of electing an interim secretary of the New Casco Bay School District and determining a date for the election of the initial board of directors of the District. The interim secretary shall notify the municipal officers of the member municipalities of the District of the date of the election. The election shall be conducted in accordance with Title 30-A Chapter 121 of the Maine Revised Statutes, as amended by Section 1473(2) of Chapter 103-A of Title 20-A of the Maine Revised Statutes, except that the election duties of the secretary and board of directors of the New Casco Bay School District shall be performed by the interim secretary. The duties of the interim secretary shall include:

- 1) notification of the municipal officers of the date of the election;
- 2) furnishing nomination papers at least 10 days before the deadline for filing nomination papers;
- 3) receipt of completed nomination papers in accordance with 20-A M.R.S.A. §1473;
- 4) preparation and distribution of election ballots in accordance with 20-A M.R.S.A. §1473;
- 5) receipt of town clerk's certification of the results of the voting in each member municipality;
- 6) tabulation of the town clerk's certification of the results of the voting in each municipality;
- 7) accepting any recount petitions that may be filed pursuant to 20-A M.R.S.A. §1473; and
- 8) totaling the votes cast for each candidate and notifying the clerks in each municipality, the candidates, and the Commissioner of Education of the final results of the voting and the names and addresses of the persons elected as directors.

In accordance with 20-A M.R.S.A. §1473(1), the clerk of each municipality within the New Casco Bay School District shall forward the name(s) and address(es) of the director(s) elected to represent that municipality to the State Board of Education with such other data with regard to their election as the State Board of Education may require. On receipt of the names and addresses of all of the directors, the State Board of Education shall set a time, place and date for the first meeting of the directors and give notice to the directors in writing, sent by registered or certified mail, return receipt requested, to the address provided by the municipalities.

#### **13-D. Tuition Contracts and School Choice**

- 1. Tuition Contracts:** The tuition contracts in existence as of the date of this Plan are listed in Exhibit 13-D.1. Each of the listed tuition contracts will be assumed by the New Casco Bay School District unless terminated prior to the District's operational date.
- 2. School Choice:** The Falmouth School Department and MSAD # 51 offer their students a choice of which school to attend as listed in Exhibit 13-D.2. Grade levels in the existing Falmouth School Department and MSAD # 51 that have choice of schools as of the operational date shall continue to have the same choices in the New Casco Bay School District.

#### **13-E. Claims and Insurance**

The parties are aware of the lawsuits, administrative complaints, due process proceedings, notices of claim and other claims existing as of November 28, 2007, as listed in Exhibit 13-E.

#### **13-F. Vote to submit Reorganization Plan to the Commissioner of Education.**

The Falmouth and MSAD # 51 School Boards have each approved by majority vote the submission of this school reorganization Plan prepared by the Falmouth School Department and MSAD # 51 Reorganization Planning Committee pursuant to Section XXXX-36(5)(M) of Title 20-A M.R.S.A., to reorganize into a regional school unit with an operational date of July 1, 2009, and have authorized and directed their Superintendents of Schools to submit the school reorganization Plan to the Commissioner of Education, as documented in Exhibits 13-F.1 and 13-F.2.

#### **14. Amendment to the RSU Plan.**

Upon adoption of the plan by a majority of the voters of the member school administrative units of the RSU, any amendment to the Plan shall require approval by the majority of the voters in the RSU, except that any amendment to Sections 13-B.1 and 13-B.2 of the Plan shall require approval by at least two-thirds (2/3rds) of the voters in the RSU. Although amendments to the Plan may be submitted for a vote at any time, the RSU Board shall conduct a comprehensive review of the Plan in the 5th year of the RSU's operation, to determine if any amendments are appropriate.

## Exhibit 5-A

A list of real property interest and associated fixtures that shall not be transferred to the RSU District.

### **Falmouth:**

All real property currently associated with the Falmouth Public Schools WILL be transferred to the new RSU District with the following considerations:

1. Lunt/Plummer-Motz School Campus – depending of the timing of the RSU formation and the elementary school construction project placement (planned occupancy for Fall 2011), there is the potential and probability that the current Lunt and Plummer-Motz schools and site will be replaced by a new school on another site. If that happens, the property will, for all intents and purposes, revert back to the Town of Falmouth. Existing modular and portable classrooms on that site will be relocated or sold as part of this transition (RSU or Town not determined).
2. Artificial turf field at High School complex – An artificial turf field funded by private donations and Town funds is currently in the bidding process. The preliminary construction window is the summer of 2008 if the project moves forward. The project includes a contractual agreement between the Town and the Falmouth Public Schools allowing for priority usage by the School during specific school times. The disposition of the field and subsequent usage by the RSU will need to be clarified as part of the planned consolidation. (See attached Agreement)
3. Twelve +/- acre parcel of land located at 51 Woodville Road, Falmouth – As a cost-shift off-set measure (see Section 13-B), the Falmouth School Department will release to the Town of Falmouth, in accordance with the terms set forth in Exhibit 13-B.2, its statutory rights over approximately 12 acres of the 26 acres of Falmouth owned excess property located at 51 Woodville Road, on which is located the Falmouth School Superintendent's office, a parking area, and tennis courts.

### **MSAD 51:**

None

AGREEMENT REGARDING THE STADIUM FIELD

THIS AGREEMENT is entered into by and between the Town of Falmouth, Maine, with a mailing address of 271 Falmouth Road, Falmouth, ME 04105 (the "Town"), the Falmouth School Department, with a mailing address of 51 Woodville Road, Falmouth, ME 04105 (the "School Department") and Falmouth Education Foundation d/b/a Game On, with a mailing address of c/o Brady Bohrmann, 236 Foreside Road, Falmouth, ME 04105 ("Game On").

WHEREAS, it is to the benefit of the citizens of the Town to improve the so-called Stadium Field at the Falmouth High/Middle School campus;

WHEREAS, Game On has proposed that the natural turf at the Stadium Field be replaced with an artificial turf playing surface; has offered to assist in the funding of such a project; and has committed itself to a major fund raising effort in this regard;

WHEREAS, the School Board, which exercises control over the Stadium Field, agrees that the proposed improvements to the Field will benefit Falmouth schools athletic teams and others;

WHEREAS, an artificial turf playing surface will produce maintenance cost savings and attract rental revenues, both of which will help off-set the cost of installing the artificial turf; and

WHEREAS, an artificial turf playing surface can be used by more sports teams, more frequently and for more months of the year than the natural turf playing surface now at Stadium Field.

NOW THEREFORE, in consideration of the mutual promises and benefits conferred by the terms of this Agreement, the parties agree as follows:

1. The Town will partially fund and will cause to be constructed an artificial playing surface at Stadium Field subject the following terms and conditions:
  - a. The final bids for construction of the field shall not exceed \$650,000. If final bids exceed \$650,000, the parties agree that the Falmouth Town Council, in its sole discretion, may approve moving forward with the project and all parties will be bound by that decision. Neither Game On nor the Town of Falmouth will be obligated to pay any costs in excess of \$650,000.
  - b. The Town will contribute \$350,000 towards the cost of construction.
  - c. Game On will contribute the balance of the cost of construction up to \$300,000 solely from its fund raising effort for this project and not from any other assets of the Falmouth Education Foundation.
  - d. Construction will not begin until Game On has paid to the Town its share of the cost of construction.

- e. Because of conflicts with athletic teams' use of the Stadium Field and the surrounding track and because of weather conditions, there shall be two construction windows. The first is from November 1, 2007 through December 31, 2007. The second is from April 1, 2008 through December 31, 2008.
  - f. If Game On has not raised sufficient funds and has not paid its share of the cost of construction before June 30, 2008, then this Agreement shall terminate and be of no further force and effect.
2. The Town shall award contracts for the work on Stadium Field and shall oversee construction and be responsible for necessary permitting. Game On shall have no ownership interest in the Field and shall have no authority over the construction process.
  3. All parties will have an opportunity to agree on the material manufacturer, design and contractor prior to construction but the final decision on these matters rests with the Town.
  4. In recognition of maintenance cost savings, the School Department agrees to annually transfer funds to the Falmouth Community Programs Department or other appropriate Town department \$20,150 for a period of twelve years, beginning on a pro-rata basis in the fiscal year in which the project is completed with the payment being due on or before June 30th, which amount shall increase annually by 3.0%. The initial amount is equal to the agreed upon current marginal cost of maintaining Stadium Field.
  5. The Town may either maintain the artificial turf playing surface itself or elect to have the School Department maintain it. In the latter case, the Town shall reimburse the School Department for the marginal cost of maintaining the field.
  6. The Town shall have the exclusive right to rent and manage the use of the new field. The School Department shall schedule its use of the field through the Falmouth Community Programs Department.
  7. All revenues derived from renting and managing the new field along with the maintenance cost savings described in paragraph 4, above, will be placed in a special reserve fund to either repay the Town's investment or be used toward the future replacement of the artificial turf.
  8. The School Department shall have access to the field without paying for field time. The School Department will have exclusive rights to the field during normal school hours. During school athletic seasons, the School Department will have priority in use of the field from Monday through Saturday for scheduled competitive events (including make-up games); and for practices Monday through Friday from 2:30 PM to 6:00 PM and on Saturdays until noon.
  9. The parties agree to maintain adherence to the Use of Falmouth Town and School Facilities Ordinance. Organizations or programs claiming to have "Falmouth residents' status" will need to demonstrate that 2/3 of their active roster or participants are Falmouth residents.

10. In recognition of the generous contribution of \$71,000 by the Falmouth Youth Soccer Association ("FYSA") to the cost of the artificial turf playing surface and in order to support the work of that organization in service to the youth of Falmouth, the parties agree that FYSA shall have priority use of the field at no cost (other than for lights) on Sundays between August 15 and November 1 from Noon until 10:00 P.M. and the entire Columbus Day Weekend (Saturday, Sunday, and Monday) for a period of 12 years commencing on the first August 15 subsequent to the completion of the installation of the artificial turf playing surface.

11. The parties are aware that the Maine Legislature has recently enacted and the Governor has signed legislation that will result in school consolidation. The parties enter this Agreement with the expectation that any future consolidated school district that includes Falmouth will honor this agreement and they agree to make every reasonable effort to ensure that it is honored.

This Agreement has been executed by the authorized representatives of the parties on the dates indicated below and is effective as of the date of the last signature affixed hereto.

TOWN OF FALMOUTH

Date: \_\_\_\_\_

\_\_\_\_\_  
By: Nathan Poore  
Its Town Manager

FALMOUTH SCHOOL DEPARTMENT

Date: \_\_\_\_\_

\_\_\_\_\_  
By: George Entwistle  
Its Superintendent of Schools

FALMOUTH EDUCATION FOUNDATION  
d/b/a Game On

Date: \_\_\_\_\_

\_\_\_\_\_  
By: *Katherine B. Coster*  
Its *KATHERINE B. COSTER*  
President

**Exhibit 5-B**

A list of personal property that shall NOT be transferred to the RSU District:

**Falmouth**

NONE

**MSAD51**

NONE

## Exhibit 6-A

A list of bonds, notes and lease purchase agreements for which the RSU District WILL assume liability;

### Falmouth

See attached:

Notes to Financial Statements, June 30, 2007, pages 9-10.

Falmouth Document #6-A.1: Outstanding School Bond Issues, June 30, 20~~07~~08

Falmouth Document #6-A.2: Bus Lease/Purchase Schedule, *undated*

### MSAD51

See attached:

Notes to Basic Financial Statements, June 30, 2007, pages 27-30.

MSAD51 Document #6-A.1/6-B.1: Debt Service Schedule

MSAD51 Document #6-A.2: Computer Equipment Lease Purchase

MSAD51 Document #6-A.3: Bus and Lawn Tractor Lease/Purchase Agreement

MSAD51 Document #6-A.4: Drowne Road Lease Purchase (357 Tuttle Road,  
Cumberland Center)

LONG-TERM DEBT

Page 9

Changes in Long-term Liabilities

During the year ended June 30, 2007, the following changes occurred in liabilities reported in the Town's Statement of Net Assets:

	Balance July 1, 2006	Additions	Reductions	Balance June 30, 2007
General obligation debt	\$ 16,505,000	-	1,100,000	15,405,000
Obligation for compensated absences	751,579	34,474	-	786,053
Obligation for capital leases	180,143	-	52,929	127,214
<b>Totals</b>	<b>\$ 17,436,722</b>	<b>34,474</b>	<b>1,152,929</b>	<b>16,318,267</b>

LONG-TERM DEBT, CONTINUED

Page 10

General Obligation Bonds

The Falmouth School Department reimburses the Town of Falmouth for debt service on general obligation bonds of \$15,405,000 at June 30, 2007 related to the School Department. Outstanding bonds are as follows:

<u>Description</u>	<u>Interest rates</u>	<u>Balance</u>
School Athletic Facilities	7.125% - 7.700%	\$ 90,000
1999 High School Construction Bond	4.700% - 5.500%	2,600,000
2000 High School Construction Bond	4.850% - 5.375%	12,715,000
		<b>\$ 15,405,000</b>

Debt to maturity information is contained in the Town's financial statements.

Outstanding school bond issues  
June 30, 2008

FISCAL YEAR ENDING	ATHLETIC FIELDS (1988)			HS BOND (1999)			HS BOND (2000)			TOTAL PRINCIPAL	TOTAL INTEREST
	PRINC.	INTL.	TOTAL	PRINC.	INTL.	TOTAL	PRINC.	INTL.	TOTAL		
2009	45,000	1,732	46,732	200,000	119,250	319,250	850,000	581,475	1,431,475	707,457	
2010				200,000	109,700	309,700	850,000	540,250	1,390,250	649,950	
2011				200,000	100,025	300,025	850,000	499,025	1,349,025	599,050	
2012				200,000	90,150	290,150	850,000	457,800	1,307,800	547,950	
2013				200,000	80,050	280,050	850,000	416,363	1,266,363	496,413	
2014				200,000	69,750	269,750	850,000	374,287	1,224,287	444,037	
2015				200,000	59,300	259,300	850,000	331,788	1,181,788	391,088	
2016				200,000	48,750	248,750	850,000	288,990	1,138,990	337,740	
2017				200,000	38,075	238,075	850,000	245,473	1,095,473	283,548	
2018				200,000	27,300	227,300	850,000	201,532	1,046,532	228,832	
2019				200,000	16,450	216,450	850,000	157,381	1,002,381	173,831	
2020				200,000	5,500	205,500	850,000	113,019	963,019	118,519	
2021							850,000	68,128	918,128	68,128	
2022							850,000	22,709	872,709	22,709	
	45,000	1,732	46,732	2,400,000	764,300	3,164,300	11,865,000	4,298,220	16,163,220	5,064,252	

LOCAL ONLY

TO RSU

FALMOUTH  
Document 6-A.1

Falmouth School Department  
Bus Lease/Purchase Schedule

	BankNorth	BankNorth		GSB	GSB	GSB	GSB	GSB	GSB	Annual Payment Totals
	4.727%	4.727%								
FY03	\$73,493	\$73,993	\$75,558	\$57,058	\$75,857	\$75,857	\$78,268	\$35,260	\$79,666	\$30,891
FY04	9/1/2002 Thomas	9/1/2002 Thomas	9/1/2003 Thomas	9/1/2003 Thomas	9/1/2004 Thomas	9/1/2004 Thomas	9/1/2005 Thomas	9/1/2005 Thomas	FY07 Thomas	\$135,449
FY05	84 pass	84 pass	84 pass/1/lt	54 pass/1/lt	84 pass	\$91,899				
FY06	\$15,393	\$15,498	end	end	\$16,475	\$16,475	\$16,757	\$7,549	end	\$88,147
FY07	\$15,393	\$15,498			\$16,475	\$16,475	\$16,757	\$7,549		\$167,813
FY08	end	end			\$16,475	\$16,475	\$16,757	\$7,549	end	\$57,256
FY09					\$16,475	\$16,475	\$16,757	\$7,549		\$57,256
FY10							\$16,757	\$7,549		\$24,306
Totals	\$76,965	\$77,489	\$75,558	\$57,058	\$82,375	\$82,375	\$83,785	\$37,745	\$79,666	\$653,016

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

Note 5 - CAPITAL ASSETS (Continued)

Depreciation was charged to functions as follows:

Operations and maintenance	\$ 578,390
Transportation	123,003
Instructions	37,700
Administration	<u>3,785</u>
Total Depreciation	<u>\$ 742,878</u>

Included in the capital assets above are capital assets that were obtained with capital leases. They are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Operations and maintenance	\$ 1,479,887	\$ 127,591
Transportation	442,068	140,613
Instructions	86,540	52,432
Administration	<u>9,995</u>	<u>7,996</u>
Total	<u>\$ 2,018,490</u>	<u>\$ 328,632</u>

Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

Long-Term Debt Obligations

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2007:

	General Obligation Debt
Long-Term Debt Payable at June 30, 2006	\$ 24,420,000
Debt Issued	<u>9,680,000</u>
	34,100,000
Debt Retired	<u>(1,525,000)</u>
Long-Term Debt Payable at June 30, 2007	<u>\$ 32,575,000</u>
Amount Due within One Year	<u>\$ 1,999,000</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2007

**Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

**Long-Term Debt Obligations (Continued)**

General long-term debt consists of the following:

*U.S. Bank:*

Mabel I. Wilson School Renovation Bond, maturing 10/15/14, annual series payments are \$240,000 (2006), \$420,000 (2007), \$410,000 (2008), \$395,000 (2009), \$370,000 (2010 - 2011), \$350,000 (2012), \$340,000 (2013-2014), \$330,000 (2015). Variable interest rate from 2% to 3.5%; authorized and issued \$3,565,000. \$ 2,905,000

*U.S. Bank:*

Middle School Construction Bond, maturing 10/15/24, annual series payments are \$859,000 (2006), \$855,000 (2006-2014), \$850,000 (2015-2023), \$750,000 (2024). Variable interest rate from 2.5% to 4.625%; authorized and issued \$17,054,000. 15,240,000

*U.S. Bank:*

Greely Junior High School Renovation Bond, maturing 10/15/25, annual series payments are \$250,000 (2007-2026). Variable interest rate from 3.1% to 4.25%; authorized and issued \$5,000,000. 4,750,000

*U.S. Bank:*

Greely High School Addition Bond, maturing on 10/01/26, annual series payments are \$484,000 (2007-2026). Variable interest rate from 3.1% to 3.49%; authorized and issued \$9,680,000. 9,680,000

\$ 32,575,000

The annual requirement to amortize debt outstanding as of June 30, 2007 is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,999,000	\$ 1,085,495	\$ 3,084,495
2009	1,984,000	1,106,628	3,090,628
2010	1,959,000	1,044,862	3,003,862
2011	1,959,000	983,407	2,942,407
2012	1,939,000	919,906	2,858,906
2013-2017	8,945,000	3,581,003	12,526,003
2018-2022	7,920,000	2,147,827	10,067,827
2023-2027	<u>5,870,000</u>	<u>500,435</u>	<u>6,370,435</u>
	<u>\$ 32,575,000</u>	<u>\$ 11,369,563</u>	<u>\$ 43,944,563</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2007

**Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

Interest expense was \$1,125,031 for the year.

Under a provision of state law, the State of Maine reimburses the District for a portion of the financing costs of various approved school construction projects. The District's State aid subsidy is dependent upon continued annual appropriation by the State legislature. Annual principal and interest payments of \$1,724,329 for the Mabel I. Wilson School Addition and Renovation Project were received for the year ended June 30, 2007.

**Results of Referendum Election**

Pursuant to a referendum election held on November 7, 2006, the School Directors of the District were authorized by the voters to issue bonds or notes for school construction purposes in an amount not to exceed \$9,680,000 (of which \$9,680,000 has been approved by the State Board of Education for inclusion in the District's debt service allocation for the purpose of calculating state subsidy). The proceeds (including investment earnings thereon) have been used to design, construct, and equip a new addition to the high school, and to finance other costs of the project

**Capital Lease Obligations**

The District leases various equipment expiring in 2010 and leases Drowne School expiring in 2013. Annual payments are made in the amount of principal and interest due on the debt.

The following is a summary of capital lease transactions of the District for the year ended June 30, 2007:

	Building Lease	Equipment Leases	Total Capital Leases
Capital Leases Payable at June 30, 2006	\$ 1,006,823	\$ 30,163	\$ 1,036,986
Debt Issued	<u>0</u>	<u>315,895</u>	<u>315,895</u>
	1,006,823	346,058	1,352,881
Debt Retired	<u>(124,432)</u>	<u>(30,163)</u>	<u>(154,595)</u>
Capital Leases Payable at June 30, 2007	<u>\$ 882,391</u>	<u>\$ 315,895</u>	<u>\$ 1,198,286</u>
Amount Due within One Year	<u>\$ 132,215</u>	<u>\$ 101,764</u>	<u>\$ 233,979</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2007

**Note 6 - LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**

Obligation under long-term capital leases consists of the following:

Gorham Savings Leasing Group, LLC

Fiscal Year 2007 two (2) School Bus and a tractor Leases, maturing 7/15/09, 5.1% interest rate, payable in installments of \$78,300 annually. \$ 214,479

Gorham Savings Leasing Group, LLC

Fiscal Year 2007 equipment lease, maturing 7/15/09, 5.1% interest rate, payable in installments of \$37,024 annually. 101,416

Fiscal Year 2003 Drowne School Lease, maturing 3/31/14, 6.08% interest rate, payable in installments of \$15,187 monthly. 882,391

\$ 1,198,286

The annual requirement to amortize capital lease obligations outstanding as of June 30, 2007, is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 233,979	\$ 63,585	\$ 297,564
2009	244,888	52,676	297,564
2010	259,000	38,564	297,564
2011	158,609	23,631	182,240
2012	168,530	13,710	182,240
Thereafter	<u>133,280</u>	<u>3,401</u>	<u>136,681</u>
	<u>\$ 1,198,286</u>	<u>\$ 195,567</u>	<u>\$ 1,393,853</u>

**Note 7 - OPERATING LEASES**

The District leases portable classrooms from Schiavi Leasing Company. The minimal lease payments accounted for as operating leases at June 30, 2007, are as follows:

<u>Year</u>	<u>Minimum Lease Payment Remaining</u>
2008	\$ 129,324
2009	25,682
2010	16,260
2011	<u>1,355</u>
	<u>\$ 172,621</u>

Total operating lease expense for the year ending June 30, 2007 was \$129,324.

## Document # 6-A.2

### MSAD 51

Computer Equipment Lease Purchase: Twenty-seven (27) page Lease Purchase Agreement dated September 15<sup>th</sup>, 2006 in the principal amount of \$101,415.60 for Computer Equipment, with a balance as of July 1<sup>st</sup> in the amount of 101,415.60 and a final maturity date of July 15<sup>th</sup>, 2009.

MSAD #51

Compound Period .....: Annual

Nominal Annual Rate ....: 5.100 %  
 Effective Annual Rate ...: 5.100 %  
 Periodic Rate .....: 5.1000 %  
 Daily Rate .....: 0.01417 %

## CASH FLOW DATA

Event	Start Date	Amount	Number Period	End Date
1 Lease	09/15/2006	101,415.60	1	
2 Payment	07/15/2007	37,024.00	3 Annual	07/15/2009

## AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Date	Payment	Interest	Principal	Balance
Lease 09/15/2006				101,415.60
2007 Totals	0.00	0.00	0.00	
1 07/15/2007	37,024.00	4,353.26	32,670.74	68,744.86
2008 Totals	37,024.00	4,353.26	32,670.74	
2 07/15/2008	37,024.00	3,505.99	33,518.01	35,226.85
2009 Totals	37,024.00	3,505.99	33,518.01	
3 07/15/2009	37,024.00	1,797.15	35,226.85	0.00
2010 Totals	37,024.00	1,797.15	35,226.85	
Grand Totals	111,072.00	9,656.40	101,415.60	

## Document # 6-A.3

### MSAD 51

Bus and Lawn Tractor Lease Purchase: - 25 (25) page Lease Purchase Agreement dated September 15<sup>th</sup>, 2006. The principal amount of \$214,480.12 for two school buses and a lawn tractor with a balance of \$214,480.12 as of July 1<sup>st</sup>, 2007, and a final maturity date of September 15<sup>th</sup>, 2009.

MSAD #51

Compound Period .....: Annual

Nominal Annual Rate ....: 5.100 %  
 Effective Annual Rate ...: 5.100 %  
 Periodic Rate .....: 5.1000 %  
 Daily Rate .....: 0.01417 %

## CASH FLOW DATA

Event	Start Date	Amount	Number Period	End Date
1 Lease	09/15/2006	214,480.12	1	
2 Payment	07/15/2007	78,300.00	3 Annual	07/15/2009

## AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Date	Payment	Interest	Principal	Balance
Lease 09/15/2006				214,480.12
2007 Totals	0.00	0.00	0.00	
1 07/15/2007	78,300.00	9,206.56	69,093.44	145,386.68
2008 Totals	78,300.00	9,206.56	69,093.44	
2 07/15/2008	78,300.00	7,414.72	70,885.28	74,501.40
2009 Totals	78,300.00	7,414.72	70,885.28	
3 07/15/2009	78,300.00	3,798.60	74,501.40	0.00
2010 Totals	78,300.00	3,798.60	74,501.40	
Grand Totals	234,900.00	20,419.88	214,480.12	

**AMENDMENT TO LEASE AGREEMENT TO CONVERT  
TO LEASE PURCHASE AGREEMENT**

This Amendment to lease Agreement to Convert to Lease Purchase Agreement made and entered into this 28<sup>th</sup> day of March, 2003, by and between the Town of Cumberland, a municipal corporation ("Lessor") with a mailing address of: 290 Tuttle Road, Cumberland, ME 04021 attention: Town Manager, and School Administrative District 51, a school administrative district ("Lessee") with a mailing address of 357 Tuttle Road, P.O. Box 6A, Cumberland Center, ME 04021 attention: Superintendent.

WITNESSETH:

WHEREAS, the Lessor and Lessee entered into a certain Lease dated June 25, 1997 in regard to the Drowne Road School, so-called; and

WHEREAS, the term of said lease was for ten (10) years commencing June 1, 1998 and ending on June 1, 2008; and

WHEREAS, the parties wish to convert said lease to a lease purchase agreement with a term of ten (10) years commencing April 1, 2003 and ending March 31, 2014. Now therefore, based on the foregoing considerations, the parties agree as follows:

1. Term. The Lessor and Lessee agree that as of April 1, 2003 the Lease shall be converted to a Lease Purchase Agreement with a ten (10) year term commencing April 1, 2003 and ending March 31, 2013. During the ten year term of the Lease Purchase Agreement Lessee shall pay Lessor One Hundred Eighty-two Thousand Two Hundred Forty and 52/100 Dollars (\$182,240.52), annually, in equal monthly installments of Fifteen Thousand One Hundred Eighty-six and 71/100 Dollars (\$15,186.71), each monthly installment payable in advance on or before the first day of each month.

2. Option to Purchase. If Lessee is not then in default of the performance of its obligations under this Lease Purchase Agreement, on March 31, 2013 Lessor shall convey to lessee by quitclaim deed without additional consideration, subject only to encumbrances of record as of the date of this Agreement, utility easements of record, and the provisions of the zoning ordinance of the Town of Cumberland, the premises described in Exhibit A attached hereto, together with the buildings and improvements located thereon (hereinafter "the Premises").

3. Condition in Deed. The deed shall contain a provision that in the event that the Board of School Directors of Lessee determine at any time in the future that the Premises do not have any future anticipated use for school or other SAD educational or administrative purposes, the Board of School Directors shall offer to transfer ownership of the Premises to Lessor at no cost to Lessor before offering to convey the Premises to any other party.

4. Maintenance Reserve. Any sums remaining in Lessor's maintenance reserve account established pursuant to the Lease dated June 25, 1997 shall remain the property of Lessor and no credit or financial adjustment shall be made by virtue of this provision, however, Lessee shall have no obligation to contribute further to said account.

5. Condition of Premises. Lessee agrees it has had a substantial opportunity to inspect the premises and that it shall take the Premises on an "as is, where is" basis and the Lessor shall have no obligations in regard to any express or implied warranties or representations regarding the condition of said Premises.

6. Indemnification. Lessee further agrees that during this Lease and after delivery of the deed, it shall, within the terms of the Maine Tort Claims Act, defend and indemnify Lessor from any and all actions, claims for damages, including property and bodily injury claims, debts, breach of contract, environmental damage or other loss or expense caused by the negligence of the Lessor and/or Lessee or otherwise, including attorney's fees and costs, arising out of the Lessor's ownership of the premises subsequent to June 25, 1997 and Lessee's use and occupancy of said premises hereafter.

7. Quiet Enjoyment. Lessor agrees to deliver to the Lessee physical possession and quiet enjoyment of the Premises upon the commencement of the term hereof, free and clear of any and all encumbrances, attachments, liens or other interests, claims or rights of possession, except as aforesaid.

8. Utilities; Expenses. Lessee shall be responsible for all utility expenses and costs at the Premises commencing April 1, 2003 and throughout the ten year term of this Lease Purchase Agreement.

9. Insurance. During the term of this Agreement, Lessee shall obtain and maintain at its expense a policy of general liability insurance coverage, insuring against liability for bodily injury and property damage with a minimum combined single limit of \$1,000,000. The policy shall name the Lessor as an additional insured. Lessee shall supply evidence of such coverage to Lessor, which shall not be canceled without 30 days notice to Lessor and Lessee. During the term of this Agreement, Lessee shall maintain fire and hazard liability insurance on the Premises for the full replacement value of the building and improvements. Lessee shall also insure its property and effects. Lessor and Lessee hereby waive rights of subrogation to the extent not prohibited by the insurance policies required under this subparagraph, and hereby each release the other from claims required to be insured against, including claims based on negligence. During the term of this Agreement, lessee shall be entitled to any insurance proceeds for fire and hazard damage to the Premises.

10. Maintenance and Repairs. Lessee shall be responsible for all maintenance on the Premises, including but not limited to, snow and ice removal, sanding of sidewalks, parking areas and drives, lawn and landscaping maintenance, general routine maintenance, garbage removal and for all cleaning and janitorial services. Lessee shall also be responsible for the cost of structural repairs and replacements, including the roof, foundation, exterior walls, facades,

parking areas and drives and the replacement and repair of major building systems components of a capital nature.

11. Signs. Lessee shall be permitted to install signage on the Premises. Any sign installed shall conform with any and all governmental regulations and ordinances applicable.

12. Alterations. Modifications. Repairs. Lessee may make such changes and alterations to the Premises as it deems necessary or useful in connection with Lessee's use of the Premises.

13. Destruction of Premises. In the event of total or partial destruction of the Premises, Lessee shall determine whether or not to rebuild or repair the same, provided that such total or partial destruction shall not relieve Lessee of its payment obligations to Lessor under this Agreement.

14. Eminent Domain. Lessee shall receive the total of any damages awarded as a result of condemnation proceedings. Such condemnation shall not relieve Lessee of its payment obligations to Lessor under this Agreement unless the condemnation proceedings are instituted by Lessor and the Premises are thereby rendered unsuitable for use as a school by Lessee.

15. Assignment and Sublease. Lessee may not sublet or assign the Premises or other part thereof without the prior consent of Lessor, which consent shall not be unreasonably withheld.

16. Default. Lessee shall have breached this Agreement and shall be considered in default hereunder if (1) Lessee fails to pay any lease purchase payment when due, and such failure continues for a period of thirty (30) days after receipt of notice thereof from Lessor or (2) Lessee fails to substantially perform or comply with any of the covenants or conditions of this Agreement and such failure continues for a period of thirty (30) days after receipt of notice thereof from Lessor, or if such default cannot reasonably be cured within 30 days, such additional time as is reasonably required given the nature of such default for Lessee to diligently prosecute such cure to completion.

17. Remedies. Lessee covenants and agrees that in the event of an uncured default, upon receipt of written demand from Lessor, at the option of Lessor, Lessee shall either (1) pay during the remainder of what would have been the then current term of the lease, to the Lessor, on the last day of each calendar month, the difference, if any, between the rental which would have been due for such month had there been no such termination and the amount being received by Lessor as rent from occupants of the Leased Premises, if any or (2) be liable for and pay to Lessor the entire unpaid rental and all other balances due under this Lease for the remainder of the then current term less the fair market rental value of the premises for the remainder of the term. In addition, Lessee agrees to pay to Lessor as damages for any default, termination or breach, all costs, including reasonable attorney's fees, incurred by Lessor in connection with any default, termination, breach, eviction, forcible entry and detainer, collection or other enforcement of Lessor's rights hereunder, all costs of re-letting the Leased Premises, including, but not limited to, brokerage fees, advertising and marketing costs and costs of re-fitting the leased

premises to suit the new Lessee; however Lessor agrees to use its best efforts to mitigate said damages.

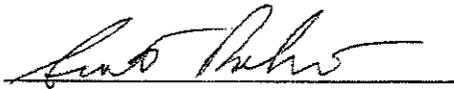
18. Notice. All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid and return receipt requested, to the party to be notified at the address set forth above or at such other address as either party may from time to time designate in writing.

19. Consents. Any consent by Lessor hereunder shall not be unreasonably withheld or delayed.

20. Entire Agreement. Effective April 1, 2003, this Agreement replaces and supercedes the Lease Agreement dated June 25, 1997 between the Parties which shall thereafter be deemed terminated and of no further force and effect. This Agreement contains the entire agreement of the parties hereto with respect to the Premises. This Agreement may not be amended, modified, released or discharged, in whole or in part, except by an instrument in writing signed by the parties hereto, their respective successors or assigns.

IN WITNESS WHEREOF, the parties have executed this Amendment to lease and Conversion to lease Purchase Agreement under seal as of the day and year first above-written.

Witness:

  
\_\_\_\_\_

Lessor:

Town of Cumberland

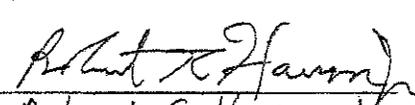
By:   
\_\_\_\_\_

Robert B. Benson  
Its Town Manager

Lessee:

Maine School Administrative  
District No. 51

  
\_\_\_\_\_

By:   
\_\_\_\_\_

Robert G. Hannon  
Its Superintendent

## **EXHIBIT 6-B**

### **Bonds, Notes and Lease Purchase Agreements That the New Casco Bay School District Will Not Assume:**

Any state qualified debt will be assumed by the New Casco Bay School District. Any local share of debt will not be assumed by the RSU, but will stay with the member municipalities of the Falmouth School Department and MSAD #51. Cumberland and North Yarmouth will assume their share of existing MSAD #51 local debt on the basis of each respective percentage share of their total State equalized property valuation.

Therefore, for example, the local share of debt of the Greely High School addition and renovation will not be assumed by the RSU but will stay with the MSAD #51 member municipalities of Cumberland and North Yarmouth, and the local share of debt of the proposed Falmouth Elementary School will not be assumed by the RSU but stay with the Town of Falmouth.

**EXHIBIT 6-C**

New Capital Project Debt that the New Casco Bay School District Will Issue and Assume:

Falmouth: NONE

MSAD 51: NONE

**EXHIBIT 6-D**

New Capital Project Debt that the New Casco Bay School District Will Issue But Will Not Assume:

Falmouth: NONE

MSAD 51: NONE

**Exhibit 7-A.1**

A list of all written individual contracts

**Falmouth**

See attached

**MSAD51**

See attached

List of individual employment contracts  
 Exhibit 7A  
 Falmouth Public Schools

Administrators – covered by **Administrative Employment Guidelines** document. In addition, each administrator has an individual contract that outlines more specifics (pay, retirement, etc.).

<b>Position</b>	<b>Incumbent</b>	<b>Contract Expiration</b>
Superintendent	George H. Entwistle	June 30, 2011
Lunt Elementary Principal	John Flaherty	June 30, 2010
Plummer-Motz Principal	Karen Boffa	June 30, 2010
Middle School Principal	Jeff Rodman	June 30, 2010
Middle School Asst. Principal	Sue Palfrey	June 30, 2010
High School Principal	Allyn Hutton	June 30, 2010
High School Asst. Principal	Jack Hardy	June 30, 2010
Assistant Superintendent	Barbara Powers	June 30, 2010
Director of Finance and Operations	Dan O'Shea	June 30, 2010
Director of Special Education	Polly Crowell	June 30, 2010
Athletic Director	Todd Livingston	June 30, 2010

Other Individual Contracts:

Director of Information Services	Trey Bachner	June 30, 2009
Director of Transportation & Facilities	Topper West	June 30, 2009
Director of Food Services	Deborah Dolley	June 30, 2009
Data Administrator	Nate Barnes	June 30, 2009
Computer Technician (MLTI)	Brian Favreau	June 30, 2009
Computer Technician (general)	Andrew Logan	June 30, 2009
Substance Abuse Coordinator	Robin Haley	June 30, 2009
Service Learning Coordinator	Holly McEwen	June 30, 2009

List of individual employment contracts  
 Exhibit 7-A.1  
 MSAD 51

<b>Position</b>	<b>Incumbent</b>	<b>Contract Expiration</b>
Transportation Supervisor/Mechanic	Phil Black	June 30, 2009
Greely Middle School Principal	Kimberly Brandt	June 30, 2010
Wilson School Assistant Principal	Karen Bubar	June 30, 2010
Food Service Director	Jon Carlson	June 30, 2009
Greely High School Asst. Principal	Karl Covert	June 30, 2010
NY Memorial School Principal	Becky Foley	June 30, 2010
Maintenance Supervisor	Donald Foster	June 30, 2009
Curriculum Director	David Galin	June 30, 2010
Director of Athletics	Michael Griffin	June 30, 2010
Superintendent	Robert Hasson	June 30, 2011
Greely High School Principal	Chris Mosca	June 30, 2010
Director of Special Education	Ann Nunery	June 30, 2010
Director of Finance, HR and Operations	Scott Poulin	June 30, 2010
Wilson School Principal	Susan Robbins	June 30, 2010
Greely Middle School Assistant Principal	Penny Wheeler-Abbott	June 30, 2010

**Exhibit 7-A.2**

A list of all employees who do not have written individual employment contracts:

**Falmouth**

See attached

**MSAD51**

See attached

List of employees without written individual contracts  
Exhibit 7A.2  
Falmouth Public Schools

List includes employees who work on an at-will basis, who are not covered by an individual contract or collective bargaining agreement. All hourly-paid employees:

Supt. Office

- Executive administrative assistant
- Receptionist
- Accounts payable specialist (.4)
- Payroll specialist (.6)
- Accounting (.6)
- Human resources specialist (.6)
- Special Education admin assist
- PET scheduler (.5)

District

- Lunch aides
- Planning-time assistants

List of employees without written individual contracts  
Exhibit 7-A.2  
MSAD51

List includes employees who work on an at-will basis, who are not covered by an individual contract or collective bargaining agreement. All hourly paid employees:

Maintenance Workers:

- Frank Coffin (.5)
- Daniel Willerson
- Dean Hayward
- Robert Merrill
- Rocco St. Clair (.5)

Transportation Scheduler

- Paula Slipp

Central Office Hourly Staff

- Debora Blethen, Special Education Secretary
- Susan Conley, Administrative Assistant/Superintendent
- Tammy Miller, Secretary/Receptionist
- Jeanne Boyce, Payroll/Benefits
- Carlene Graham, Accounts Payable/Receivable
- Susan Walls, Payroll Clerk

## EXHIBIT 7-B

List of all school collective bargaining agreements.

<b>SAU</b>	<b>Positions included in Bargaining unit</b>	<b>Next Termination Date</b>
SAD #51	School Secretaries, Ed Tech's Library Tech's	6/30/2010
SAD #51	Custodians	6/30/2008
SAD#51	Bus Drivers	6/30/2009
SAD #51	School Lunch Workers	6/30/2009
SAD#51	SAD 51 Teacher's Association	8/31/2008
FAL	Secretaries, Ed Tech's	8/31/2010
FAL	Bus Drivers, Custodians Maintenance Workers	8/31/2009
FAL	Food Services Employees	8/31/2010
FAL	Falmouth Education Association	8/31/2010

**EXHIBIT 7-C.1****EXHIBIT 7-C.2****EXHIBIT 7-C.3**

List of contracts to which the SAUs are a party.

<b>SAU</b>	<b>Contracts</b>	<b>Termination Date</b>
SAD #51	13 Teacher Continuing contracts	8/31/2009
SAD #51	30 Teacher Probationary contracts	8/31/2008
SAD #51	Transportation Supervisor Food Service Director Facilities Supervisor	6/30/2008
SAD #51	Principal Greely Middle School Asst. Principal Greely Middle School Principal Wilson School Asst. Principal Wilson School Principal North Yarmouth Memorial School Principal Greely High School Asst Principal Greely High School Curriculum Director/Principal Drowne Road School Athletic Director Director Special Services Director of Finance	6/30/2009
SAD 51	Superintendent of Schools	6/30/2010
Falmouth	Database Administrator Principal Plummer-Motz Director Special Services Director Food Services K – 12 computer tech Principal Lunt School Substance Abuse Coordinator Asst. Principal Falmouth High School Principal Falmouth High School Service Learning Coordinator Director of Finance Asst. Principal Falmouth Middle School Asst. Superintendent Principal Falmouth Middle School Director of Facilities/ Transportation	6/30/2008
Falmouth	Superintendent of Schools	6/30/2010

**EXHIBIT 10-A.1**

Documentation of November 13, 2007 Public Hearing (from *The Forecaster*, November 15, 2007).



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### Cost-sharing plan evens consolidation impact

By Linda Maule (published: November 15, 2007)

CUMBERLAND – There would be no cost shift in the first year of a four-year cost-sharing plan agreed to last week by the school Reorganization Planning Committee for Falmouth and School Administrative District 51.

A minimal shift – within a 1 percent range – for all three towns is expected over the succeeding years.

The cost-sharing plan proposed by the committee is based on cost per student instead of the state statutory formula that is based on property values. The committee rejected the statutory formula and decided to use a formula that it considers to be more equitable.

The formula was created with the assistance of attorney Dick Spencer as a plan that gradually phases in cost sharing based totally on the average pupil count for the previous calendar year.

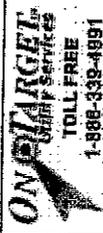
The proposed formula was approved contingent on its authorization after passage of a new state law. Committee member Peggy McGehee said in an information sheet prepared for a public forum Tuesday that Education Commissioner Susan Gendron told the committee in a meeting in October that "she will support reasonable and equitable changes in the local cost-sharing formula, including supporting any change in the statute that may be necessary."

Because Falmouth has a much higher valuation than the SAD 51 towns of Cumberland and North Yarmouth, it would have had a cost shift of up to \$1 million under the state formula. North Yarmouth's increase would have been about \$185,000. Cumberland would have stayed the same.

That high a cost shift isn't expected to be accepted by Falmouth residents in a mandatory vote on the proposed school union's budget.

Members of the committee from all three towns expressed satisfaction with a formula based on per-student cost. Spencer called the formula "more like a customer model."

November 30, 2007



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The vote on the cost-sharing plan was 7-0 with Cumberland Councilor Shirley Storey-King abstaining. Storey-King said she would like the plan phased in over a shorter period and that "2013 (the fourth year) seems too far out."

Spencer said this plan means cost sharing is "not the elephant in the room, but more like a groundhog or a mouse."

"It doesn't have to be a big issue," he said.

For the first year of consolidation, in 2009-2010, the cost-sharing formula would be based on the 2008-2009 school budgets. The new school union would calculate the total of all adjusted additional local funds (after the state-required local contribution of 7.44 mills per town is calculated) in SAD 51 and Falmouth prior to consolidation and then determine the percentage of that total allocated to each town. Those percentages would be applied to the total of all additional local funds for the first combined budget.

In the second year, 2010-2011, two-thirds of the total additional local funds would be allocated to the towns based on the previous percentages, and one-third of the total would be allocated based on the average number of students in the most recent calendar year.

In the third year, 2011-2012, the budget would be based on one-third of the additional local funds allocated to the towns based on previous percentages, and two-thirds would be allocated based on the average number of students in the most recent calendar year.

In the fourth year, 2012-2013, the budget would be based on the average of the two pupil counts for April 1 and Oct. 1 of the previous calendar year.

According to the 2006 state valuations, Falmouth's total property value was nearly \$1.77 billion. Cumberland's valuation was nearly \$969 million, and North Yarmouth's total valuation was just over \$369 million.

With 2,146 students in Falmouth, the valuation per pupil is just over \$823,000. With 1,575 students, Cumberland's valuation per pupil is nearly \$615,000. With 685 students, North Yarmouth's valuation per pupil is nearly \$540,000 per pupil.

The per pupil cost is \$6,125 in Falmouth, \$4,575 in Cumberland, and \$4,015 in North Yarmouth in current budgets.

Based on that, in the second year of consolidation, Falmouth's costs would go up 0.51 percent, and North Yarmouth's would go up 0.44 percent.

Cumberland's would go down 1 percent. In the third and fourth years, Falmouth's and North Yarmouth's shifts would remain the same, and Cumberland's would go down 1.01 percent and 1.02 percent, respectively.

Spencer called the shifts "fairness based on services received over time."

The budget formula would have to be approved by the two school boards.

"I like the model and the rationale behind it," said Committee Vice Chairwoman Susan Campbell, who is on the SAD 51 Board of Directors.

North Yarmouth Selectman Anne Graham said she liked the idea of a budget "based on pupils not on how much is spent on houses." She also said "as a voter, I really like the no shift in the first year."

"I wish we had had this out before the dreaded \$1 million" cost shift was reported in Falmouth, said Falmouth School Board member Katherine Hillman-Reed.

Town Councilor Joe Wroblewski said that "the quicker we get to per pupil, the better it is for Falmouth."

McGehee said she would like a "hold harmless" provision in the formula, and she volunteered to look into that possibility and make a presentation at the Nov. 14 meeting.

The committee has yet to discuss how it will reduce certain mandated parts of the budget by 5 percent.

Linda Maule can be reached at 781-3661 ext. 108 or [lmaule@theforecaster.net](mailto:lmaule@theforecaster.net).

**EXHIBIT 10-A.2**

Documentation of November 27, 2007 Public Hearing (from *The Forecaster*, November 15, 2007).

Published Nov. 29, 2007  
Northern edition, The Forecaster

### Questions linger for Falmouth, SAD 51 merger

By Peter Smith

CUMBERLAND – At the second of three public hearings on school consolidation Tuesday, residents and local officials expressed concern about the lack of proposed savings in a new district next year, the definition of “high-performing” districts and the makeup and representation of a consolidated school board.

About 40 people attended the forum at Cumberland Town Council Chambers on the consolidation planning between Falmouth and School Administrative District 51. The Regional Planning Committee, with representatives from Falmouth, Cumberland and North Yarmouth, has been meeting since August and must submit a consolidation plan to the state Department of Education by Saturday, Dec. 1.

Despite the questions that remain, members presented an optimistic outlook.

“We’ve taken the Kool-Aid,” said North Yarmouth’s Dave Perkins, a member of the SAD 51 board.

“This group’s job is to put the best possible consolidation plan together.”

Under state law, plans are expected to demonstrate how districts will save 50 percent in administrative costs, 5 percent in special education administration costs and a 5 percent in transportation.

Another public hearing is scheduled Thursday, Nov. 29, in North Yarmouth at 7 p.m. at the Town Office.

As of the Tuesday, the plan that would be sent to the state had not been formally presented.

Elise Kiely, of Falmouth, said voters appeared wary. “They’re hesitant to vote on something that’s behind a dark curtain,” she said.

Committee members said the details would be made clear before residents vote next spring. “If voters still feel that way in April, then we haven’t done our job,” Perkins said.

Others suggested that the two districts’ work had been hindered by Yarmouth, which was part of the Reorganization Planning Committee, but opted out of consolidation under an exemption for high-performing districts.

“It’s too bad that Yarmouth choose not to be sincere about the process,” Cumberland Town Council Chairman Jeff Porter said.

Members of the public also suggested that officials petition to have the state Legislature recognize Falmouth and SAD 51 as high-performing.

Falmouth Superintendent of Schools George Entwistle said the performance designation had been taken from a University of Southern Maine report on districts that were “higher-performing” than expected – and others at the meeting suggested that Falmouth and SAD 51 had only been disqualified because their facilities did not meet the letter of the law, despite their high-performing test scores.

“I don’t really care if we get these exceptions,” said Linc Merrill, North Yarmouth community representative on the RPC. “This is a short-lived victory for them.”

He said additional consolidation requirements would be made in the next five years.

Residents also expressed concern about the proposed method of cost-sharing.

A proposal called the New Casco Bay Model would divide the local share of school funding – above the state’s Essential Programs and Services funding – between the three communities based on per-pupil enrollment. While the committee advanced this proposal as a means of preventing Falmouth from absorbing the estimated \$800,000 to \$1 million in costs, the legislation authorizing the method has yet to be approved.

Some did not favor the philosophy.

“I think it’s a bigger shift than people realize,” said Mike Perfetti, a Cumberland Town Councilor.

“That is one step away from charging families per pupil.”

Perkins said without the change, the cost-shift to Falmouth could hinder school consolidation. Still, committee members said the community would be hit with annual penalties about up to \$1.5 million if

it doesn't consolidate.

Another Cumberland resident, John Aromando, said the cost-sharing method based on population would be divisive. "Our community had a secession over this issue," he said, referring to Chebeague Island's recent independence.

Eric Johnson, a Cumberland resident, also wanted to know if there is an alternative plan if the Legislature fails to approve a proposed cost-sharing method.

The committee also presented a recommendation that the new school board would have six members: Three from Falmouth, two from Cumberland and one from North Yarmouth.

John Hankinson, a Cumberland resident, said he worried about North Yarmouth's representation; committee members said the four-vote majority would encourage consensus building.

Aromando also said he worried about the workload for a six-member board for the "new megadistrict" – and said the decreased number of representatives would concentrate power.

Many also said that the committee should work harder to present potential savings. RPC Chairwoman Beppie Cerf, of Falmouth, said that savings were not expected in the first year, but Cumberland Councilors Turner and Porter urged the committee to show the expected savings from the consolidation.

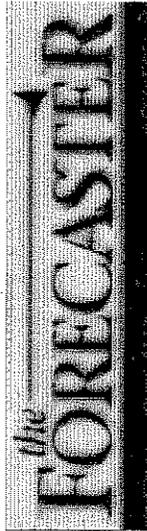
Committee members appeared optimistic that the state would approve the initial plans, despite some gaps.

"In the state's view," Cumberland citizen representative Mark Fortin said, "if it doesn't happen here, it won't happen anywhere."

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### **EXHIBIT 10-A.3**

Documentation of November 29, 2007 Public Hearing (from *The Forecaster*, December 6, 2007).



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### Falmouth, SAD 51 eye July 2009

By Linda Maule (published: December 06, 2007)

FALMOUTH - Falmouth and School Administrative District 51 met their first deadline for school consolidation by submitting a reorganization plan to state Department of Education Commissioner Susan Gendron by Dec. 1.

The plan, which is still a work in progress, includes a July 1, 2009, deadline for turning over the schools to a Regional School Unit governed by a six-member board elected from Falmouth, Cumberland and North Yarmouth.

The name of the new consolidated district, which was chosen by the Reorganization Planning Committee Nov. 28, would be the New Casco Bay School District.

At an earlier meeting in November, the RPC had decided to begin the consolidation turnover on July 1, 2008. But attorney Dick Spencer told the committee that in order to meet that deadline a municipal vote on consolidation would have to take place on Jan. 15, 2008, and there isn't enough time to plan a vote by that date.

Gendron will return the initial draft of the plan by Dec. 15, as the committee continues to meet and iron out several issues, including how to realize cost savings and share costs equitably.

The committee will complete its final plan by Jan. 15 for resubmission to Gendron. It will also hold additional public hearings on the consolidation plan.

On June 10, 2008, the three towns will vote on whether to approve the consolidation plan, and on Nov. 8, 2008, the towns will elect RSU board members: three from Falmouth, two from Cumberland and one from North Yarmouth, in accordance with population.

The plan for consolidation of SAD 51 and Falmouth school districts includes a four-year phased-in budget that moves from funding the new district on a property valuation basis to funding it on a per-pupil basis once the

January 15, 2008

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state-required local contribution of 7.44 mills is met. The required local contribution by state law is figured on property valuation.

State law doesn't currently provide for per-pupil funding. But a bill to amend the school funding law has been proposed by the DOE so per-pupil funding could be allowed for the additional amount raised beyond the required local contribution.

Funding on a cost-per-pupil basis would provide funding with minimal cost shifting that would be almost \$540,000 for Falmouth and \$111,600 for North Yarmouth in those four phase-in years. Cumberland would realize a savings.

The RPC agreed, however, that there will be no cost shifting, and it is working with the two districts' superintendents and finance directors, plus Falmouth's and Cumberland's town managers and North Yarmouth's town administrator, on an agreement to avoid any shift.

The cost-shift offset could include assumption of local debt, conveyance of reserve funds or real property or other assets or some other compensatory measure. Included in the discussion of transferring real property to Falmouth is a 26-acre piece of land connected to the superintendent's office.

The RPC also listed 16 educational program enhancement measures that could be achieved under consolidation as a result of greater collective resources, economies of scale and a larger student body.

Once Gendron approves the final draft of the reorganization plan, which is scheduled for Feb. 1, 2008, the RPC will dissolve and a new RSU Transition Committee will be formed. And after the RSU board is elected on Nov. 4, it will spend the next winter hiring a superintendent, consolidating policies and procedures and developing an RSU budget for 2009-2010. On July 1, 2009, the new RSU would be operational.

While the RSU board is getting organized, the existing school boards will be running the two separate school districts. After June 30, 2009, they will cease to exist.

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**EXHIBIT 10-A.4**

Documentation of January 9, 2008 Public Hearing (from *The Forecaster*, January 10, 2008).



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## Falmouth will avoid \$1M cost shift with SAD 51

By Linda Maule (published: January 10, 2008)

FALMOUTH – The Reorganization Planning Committee working to consolidate school administration for Falmouth and School Administrative District 51 unanimously agreed last week on two measures to offset the more than \$1.1 million cost shift that Falmouth could have faced.

On Jan. 2 the committee agreed that more than \$700,000 in Falmouth school reserves and 12 acres of a 26-acre school-owned parcel on Woodville Road, with a market value of \$400,000, will be turned over to the town of Falmouth.

The actual cost-shift under the cost-sharing plan adopted by the RPC is projected at nearly \$540,000, but the offset amount needed is estimated at about \$1.1 million, because SAD 51 – which serves Cumberland and North Yarmouth – would have a 50 percent share in the value.

The committee also unanimously agreed to increase the size of the Regional School Union Board of Directors from six to nine. The change came, committee members said, in response to concerns expressed at community forums.

On Wednesday, Jan. 9, the RPC was expected to finalize its consolidation plan and hold a public presentation in Cumberland to explain the plan and answer questions. The final plan for the New Casco Bay Regional School Union is due at the state Department of Education by Jan. 15.

Also at the presentation Wednesday, Falmouth Superintendent George Entwistle and SAD 51 Superintendent Robert Hasson were to have reported on a meeting last Friday of the two school districts' principals, where the school administrators talked about and summarized advantages and possibilities under consolidation.

In discussion at the Jan. 2 RPC meeting, members said the savings through consolidation would be minimal in the beginning, with no savings in the first year, especially since the state is reducing the state subsidy for school administration from \$358 per student to \$204 per student for 2009-2010.

"It's forcing us to reduce administrative costs," Falmouth Town Councilor Joe Wroblewski said.

In a discussion on how to reduce the administration budget, it was noted that both superintendents' contracts were renewed this past year, effective July 1, 2008, through June 30, 2011. Other contracts are also in place.

Falmouth School Board Chairwoman Beppie Cerf said the school boards were told by the DOE to proceed with contract negotiations this past year as if school consolidation wasn't on the horizon.

A subcommittee presented a model for administrative staffing under the proposed RSU, but that model was to be revised this week since some positions, such as technology administrator and assistants, were included

that are currently in other budget lines and not in the administration account.. The model was partly based on suggestions made by a New England School Development Councils report for consolidating a group of area schools last June.

The subcommittee is suggesting that the RSU hire a human resources administrator at an estimated annual salary of nearly \$95,000. An HR administrator would be needed because of the much larger staff, subcommittee members said.

Falmouth Town Manager Nathan Poore said that having a human resources administrator also "may save on the legal side of the budget."

One committee member suggested that the assistant superintendent could serve as the HR administrator until contracts expire.

The one superintendent who would run the RSU, and the assistant superintendent, would make an estimated \$122,000 and nearly \$92,000, respectively.

Under the subcommittee's model, the cost savings would be \$38 per student for administration, or \$116 short of what the state is suggesting. That savings will be greater after the model is revised to "compare apples to apples," a committee member said.

"I'm shocked that by consolidating the two school districts the savings is approximately \$300,000," Falmouth member Peggy McGehee said. "I would expect to see a half million."

Vice Chairwoman Susan Campbell, of Cumberland, however, said there would be less savings in the beginning because of the contracts that have to be honored. In years four and five, she said, there will be greater savings.

North Yarmouth Selectman Anne Graham said the committee's assignment is to consolidate as effectively and efficiently as it can. "We set a framework, and (the RSU board's) objective is to have cost savings," she said. "... The reality is we're saving, but not as much as we like."

"I'm not bothered by modest savings," Vice Chairman David Perkins, of North Yarmouth, said. "That's the way it works. It's the truth. ... There will be opportunity (for savings) over time."

Linda Maule can be reached at 781-3661 ext. 108 or [lmaule@theforecaster.net](mailto:lmaule@theforecaster.net).

**EXHIBIT 12**

**GUIDE FOR THE ANALYSIS AND DEVELOPMENT OF SHORT-TERM AND LONG-TERM COST SAVINGS AND TRANSITION COSTS**

**The Provisions of the Reorganization Law and What These Mean for RSUs**

The provisions of the law as amended require that reorganization plans, "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 2008-2009 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program." The previously indicated 'targeted' reductions of 50% in school administration and 5% each in transportation, facilities and maintenance have already been accounted for through reductions in EPS (Essential Programs and Services) allocations which are, in turn, reflected in the reduction in the overall level of GPA (General Purpose Aid to Education) for FY 2009. The 5% reduction in special education that was initially included has been addressed at the State level.

In sum, the State is achieving its 'targeted' savings in school funding by reducing the amount of GPA (General Purpose Aid to Education) by 36.5 million in FY2009. However, as the amount of GPA funding will continue to grow, and is scheduled to be increased by 43 million in FY2009, this reduction, in most instances, will be mitigated. At the local level, this means that while RSUs may not see overall reductions in EPS allocations, they will also not see any substantial increases that would/could be used to offset any increases based on annual changes in the CPI that are normally included in budget preparation documents. Thus, and in accordance with the law, reorganization plans need to account for the net reduction or minimal increase in EPS funding through reductions in areas that will NOT adversely affect the instructional program. Reorganizational savings not achieved will essentially be accounted for by increases in the required or additional local contributions of the municipalities represented in the RSU.

**RPC Principles and Assumptions**

Toward these ends, the RPC (Reorganization Planning Committee) has identified the following principles and assumptions upon which an administrative structure is being proposed:

- The administrative structure of the new RSU should be of sufficient size and complexity to address a multi-campus instructional program of between 4,000-5,000 students. This size acknowledges the changing demographics between 2004 and 2016 as projected by the National Center for Education Statistics (NCES, 2008-060, December 2007) as provided in the chart below.

RSU Base Enrollment 4421	Enrollment Projection for Maine 2004-2010	Enrollment Projections for Maine 2010-2016	Overall Enrollment Projections for Maine 2004-2010
Percentage	-5.4%	+3.0%	-2.5%
# Change/Total	-239	+126	-111
Enrollment Projection	4182	4308	4310

State enrollment projections as provided in the NESDEC Report present higher and more specific enrollment data for both Falmouth and MSAD51.

School/District	2006-2007	2016-2017	Difference
Falmouth K-12 Enrollment	2,146	1,607	-539
MSAD51 K-12 Enrollment	2,310	2,059	-251
Total	4,456*	3,666	-790

\*actual enrollment for 07-08 is 4421. This updated figure is used throughout this document for modeling purposes.

These estimates suggest a more significant decline in this time period between the communities represented in the RSU. These figures as presented do not distinguish between grade levels. Grade level data is included in the NESDEC Report.

- The new RSU will continue to make improvements in the quality and scope of program offerings to its students consistent with the changing educational needs of society. The administrative structure should be designed to support such improvements.
- Short term and longer term economies of scale savings will be achieved in non-instructional areas.
- Longer term economies of scale savings will be achieved in instructional areas as contracts and commitments expire and/or are renegotiated and as enrollments shift in accordance with projections.

#### System Administration Costs

The current percentage of system administration costs/total school budgets for Falmouth and for MSAD 51, respectively, are below the 4 percent identified in the law as being associated with higher performing districts. **Table 1** presents this information for 2007-2008 using the 'System Administration Costs' targeted for reduction by the State Department of Education. 'System Administration Costs' include those related to the functioning of the School Board, Superintendent's Office, and Central Services (Business Office). Special Education administration costs are not included.

**Table 1**  
**System Administration Costs as a Percentage of Total Budget: 2007-2008**

School/School District	2007-2008 Budget	Administration Costs	Percentage
Falmouth	24,281,412	766,670	3.16%
MSAD 51	26,781,723	804,634	3.00%

As noted above, the State is achieving its 'targeted' savings through reductions in the EPS allocations in system administration, transportation, maintenance and facilities. The EPS subsidy for system administration is calculated on a per-pupil basis using an amount set by the State for this purpose. The current per-pupil rate is \$358.

**Table 2**  
**2007-08 Administration Budget in Relation to 07-08 EPS Subsidy for Administration**

School/School District	Number of Pupils	07-08 Budget Administration Costs	07-08 EPS Subsidy for System Administration (# of pupils x \$358)	Difference
Falmouth	2153	766,670	770,774	(4104)
MSAD51	2268	804,634	811,944	(7310)
<i>Total</i>	<i>4421</i>	<i>1,571,304</i>	<i>1,582,718</i>	<i>(11,414)</i>

Within both school systems, the amount budgeted for 2007-08 is less than the total subsidy received by the State for administration. In each instance, the remaining subsidy is used to support other school expenses, including instruction.

For FY 08-09, the reduction in EPS Subsidy for System Administration will be reduced by 50%; however, this reduction is not simply one-half of \$358. The 50% figure is to be calculated by reducing the administration expenditures for 2005-2006 by 50%, then inflating the amount using a 10-year average increase in the Consumer Price Index. The figure used by the Department of Education in its modeling is a \$204 per pupil subsidy. **Table 3** presents the administration costs in relation to the reduction in subsidy for system administration proposed in the reorganization law. The way in which the per pupil cost is calculated accounts for the actual reduction being less than 50%.

**Table 3**  
**2007-08 Administration Budget in Relation to EPS Subsidy for Administration Under Reorganization**

School/School District	Number of Pupils	07-08 Budget Administration Costs	EPS Subsidy for System Administration (# of pupils x \$204)	Difference/Percent of Administration Costs Budget
Falmouth	2153	766,670	439,212	327,458/41.7%
MSAD51	2268	804,634	462,672	341,962/45.5%
<i>Total</i>	<i>4421</i>	<i>1,571,304</i>	<i>901,884</i>	<i>669,420/42.6%</i>

The challenge for reorganization is to identify a system administration structure that meets the savings intentions of the law and simultaneously does not adversely affect educational programming.

- **Model Administration Costs and the EPS Subsidies**

The Maine State Department of Education (MDOE) has developed a series of system administration models for consideration by RPCs as they work through reorganization. Each of the models is tailored to the number of students served by the RSU. Table 4 presents the total system administration costs for each of the models prepared by the State and one that is added to accommodate the size of the Falmouth/MSAD51 RSU. The system administration costs for Model #4 is at a level consistent with the per pupil calculation of \$195 used in MDOE Model #3, although it should be noted that information from the MDOE suggested that Model #4 costs be calculated at 60% higher than Model #3.

**Table 4**  
**Model Budgeting for RSUs**  
**Total System Administration Costs for 2007-2008 and 2008-2009**

Budget Year	Model #1 1,500 Students (\$198 per pupil)	Model #2 2,500 Students (\$198 per pupil)	Model #3 3,500 Students (\$195 per pupil)	Model #4 4,500 Students (\$195 per pupil)
2007-2008	\$296,461	\$494,184	\$682,353	\$877,500
2008-2009 (inc of 3%)	\$305,948	\$509,998	\$704,188	\$903,825

The EPS per pupil subsidy differences for each of the models for 2008-2009 is presented in Table 5. Within each of the models proposed by the Maine State Department of Education (Models #1, #2, #3) the per pupil subsidy for the System Administration Costs exceeds the model budget; the same holds true for the imputed Model #4.

**Table 5**  
**Comparison of Model Costs and EPS per Pupil Subsidy for System Administration 2008-2009**

Model	Model 2008-2009 System Administration Costs	Model EPS Subsidy (\$204 per pupil)	Difference
Model #1 1,500 Students	\$305,948	306,000	\$52
Model #2 2,500 Students	\$509,998	\$510,000	\$2
Model #3 3,500 Students	\$704,188	\$714,000	\$9,812
Model #4 4,500 Students	\$903,825	\$918,000	\$14,175

Table 6 distributes the system administration costs using 2007-2008 figures for Models #3 and #4 into 2 categories (System Operating Salaries & Benefits and Other Operating). These categories provide insight into the percentage of system administration costs associated with personnel (approximately 75%) and operating (approximately 25%) as presented in these

models. Table 7 presents the 2008-2009 System Administration Costs model using the 3% increase included in the MDOE models.

**Table 6**  
**Model Budgeting for RSUs**  
**Total System Administration Costs for 2007-2008 by Category**

Model	2007-2008 Total System Admin. Costs	System Operating Salaries & Benefits	Other Operating
#3 (3,500 Students)	682,353	518,627	163,726
#4 (4,500 Students)	877,500	658,125	219,375

*\*includes all costs associated with the School Board, including remuneration, legal services, and non-salary costs associated with the Superintendent's office and the Business Office (Central Services).*

**Table 7**  
**Model Budgeting for RSUs**  
**Total System Administration Costs for 2008-2009 by Category**

Model	2008-2009 Total System Costs	System Operating Salaries & Benefits	Other Operating
#3 (3,500 Students)	704,188	528,141	176,047
#4 (4,500 Students)	903,825	677,869	225,956

*\*includes all costs associated with the School Board, including remuneration, legal services, and non-salary costs associated with the Superintendent's office and the Business Office (Central Services).*

The MDOE Models (#1, #2, #3) include a specific staffing level for both the Superintendent's Office and the Business Office. Because Model #4 was imputed from the MDOE's financial models, there is no associated staffing pattern for it (i.e., it is purely a financial model to glean potential MDOE cost expectations for RSU administration).

- **System Administration Staffing Levels**

*Staffing for MDOE Models*

The System Administration Costs are based upon central office staffing patterns that have been proposed as samples by the MDOE. There is no proposed model for RSUs that have more than 3,500 students which will be the case with the Falmouth and MSAD 51 RSU. The staffing pattern for MDOE Model #3 (systems with 3,500 students) includes:

Position	FTE
Superintendent	1.0
Assistant Superintendent	1.0
Business Manager	1.0
Payroll/Bookkeeper	2.0
Administrative Assistant/Secretary	2.0

The salaries and benefits have been included in the system administration costs in the previous tables. The MDOE reports that these models are based upon conversations with existing SAU's with similar student profiles and information from the Maine School Management Association as well as the statewide school data system, MEDMS.

***Sample Staffing Model for Proposed Falmouth and MSAD51 RSU—for discussion and modeling purposes only***

As no model was proposed by the State for RSUs with student populations between 3,501 and 4,500, the Transition Committee for Falmouth and MSAD51 will need to identify a structure and staffing pattern that will absorb the reductions in the State EPS per pupil subsidy for system administration, transportation, and facilities/maintenance and not negatively affect instructional programming. A number of structural models have been examined by the current RPC. Criteria used for identifying appropriate districts spanned beyond the size of the student body; included were the demographics of the community and the commitment to high student achievement as reflected in normative measures of student performance (e.g., SATs, State exams, etc.). The example that emerged was an administrative model with many similarities to that included in the

NESDEC report (New England School Development Council) prepared in July, 2007. That report described a recommended structural model in a two-school consolidation between Falmouth and MSAD51.

A sub-committee of the RPC developed a sample staffing approach based upon its review of models of high performing districts with student bodies ranging from 3,500-5,000. Both the administrative staffing model in the NESDEC report and the sample developed by the RPC Subcommittee are presented in Table 8. *These examples are NOT intended to be definitive nor considered recommendations from the RPC; they are intended to serve as points of discussion for the RSU Transition Committee whom the RPC believes will be in a better position to make staffing decisions.*

**Table 8**  
**Sample Administrative Staffing Models for Falmouth and MSAD#51**  
**From NESDEC Report and RPC Sub-Committee**

Position	NESDEC		RPC	
	FTE	Estimated Cost	FTE	Estimated Cost
Superintendent	1.0	122,000	1.0	150,000
Secretary/Clerical	4.5	186,627	4.0	165,892
Curriculum Admin.	1.0	83,063	0	0
Business Mgr	1.0	98,586	1.0	100,252
HR Administrator	0	0	1.0	94,796
Financial/HR Clerical	4.0	155,053	4.0	155,053
Fringe Benefits (@24%)		154,879		159,838
<b>Total Personnel Costs</b>	<b>11.5</b>	<b>800,208</b>	<b>11</b>	<b>825,831</b>
<i>Other Operating (estimated from current budgets)</i>		<b>500,000</b>		<b>500,000</b>
<b>Total System Administration Costs</b>		<b>1,300,208</b>		<b>1,325,831</b>

The System Administration Costs associated with the Sample model developed by the RPC subcommittee equates to a per pupil cost of \$299. While substantially less than the current per pupil cost of \$358, this amount falls short of the \$204 per pupil amount that will be used to calculate the EPS subsidy for system administration as displayed in Table 9.

**Table 9**  
**Sample Model Administration Budget in Relation to Reduced EPS Subsidy for Administration Under Reorganization**

School/School District	Number of Pupils	Sample Model System Administration Costs	EPS Subsidy for System Administration (# of pupils x \$204)	Difference
Model #4 (using actual # of students)	4421	903,825	901,884	(1,941)
Falmouth/MSAD51 RSU	4421	1,325,831	901,884	(423,947)

While it is true that the figure provided by the State, i.e., \$204, cannot be replicated in any of Maine's school administrative units—regardless of size—the fact remains that it is the \$204 figure upon which planning needs to take place. The RSU Transition Committee will need to consider this in the development of a more specific system administration staffing model and budget development.

This same consideration holds true for costs associated with Facilities/Maintenance as well as Transportation Costs. In both of these areas, EPS subsidies will be reduced to achieve the 5% savings indicated in the consolidation legislation.

### Calculating the Avoidance of Additional Costs, Cost Savings, and Start Up Costs

- **Avoidance of Additional Costs**

***EPS Subsidy Reductions: \$986,733***

Regardless of efforts to consolidate, beginning in 2008-2009, the EPS subsidies for System Administration, Facilities/Maintenance, and Transportation will be reduced by 50%, 5%, and 5%, respectively. The amounts in the chart that follows have been calculated using 2007-2008 budget figures. The loss of the State subsidy in these areas represent a real 'cost' to each of the schools involved and to the proposed RSU. Consolidation provides the opportunities to achieve the economies of scale needed to reduce overall expenditures by these amounts to reduce the potential of passing these costs on to the community through increases in the additional local share.

**Estimated Reductions in 2008-2009 EPS Subsidies for System Administration, Facilities/Maintenance, and Transportation**

	Falmouth	MSAD51	Total
<b>System Administration</b>	327,458	341,962	669,420
<b>Facilities/Maintenance</b>	108,170	116,315	224,485
<b>Transportation</b>	46,993	45,835	92,828
<b>Total</b>	<b>482,621</b>	<b>504,112</b>	<b>986,733</b>

***Penalty Avoidance (Additional EPS Subsidy Reductions): \$334,710***

The penalties associated with not consolidating (or voting against consolidation) will result in additional costs that will either need to be reduced within the existing school budgets, or absorbed by the community in the form of an increase in the 'additional local share'. The amounts are not inconsequential and, given the already imposed decrease in State subsidy through EPS reductions, will potentially affect the quality of educational programming unless absorbed by the community as additional local share. The table below presents an example using the figures from the previous table for each school in the proposed RSU.

**Estimated Additional Penalties for Not Participating in Consolidation  
(to begin in 2009-2010)**

	Additional Reduction	Falmouth	MSAD51	Total
<b>System Administration</b>	50%	163,729	170,981	334,710

In addition to these financial penalties which, if added to the uniformly applied reduction in EPS subsidy in 2008-2009, amounts to **\$1,321,443** between Falmouth and MSAD 51 or approximately \$650,000 in reductions for each respective school, those not engaging in consolidation *will not* see their EPS subsidies increasing to the maximum level of 55%. For these schools, the statewide average of 53.86% will be applied. Other penalties with potential financial implications (although perhaps not immediate ones) include: a) Receiving less favorable consideration in approval and funding for school construction and, b) the loss of eligibility for transition adjustments.

- **Savings through Consolidation**

***System Administration Cost Savings: Potential 10%+ reduction***

Even within system administrative structures that already operate at a rate below that identified for higher performing schools, i.e., 3.2 and 3.0 for Falmouth and MSAD51, respectively, it is anticipated that additional savings can be achieved through consolidation. The sample administrative staff model developed by the RPC Subcommittee suggests that these costs might potentially be in the range of \$250,000 over current administrative costs; a savings of between 10-15%.

**Table 10**  
**System Administration Cost Savings from Consolidation**

	Current System Administration Costs	RPC Model System Administration Costs	Difference Between Current and RPC Model
Falmouth	766,670		
MSAD51	804,634		
<b>Total</b>	<b>1,571,304</b>	<b>1,325,831</b>	<b>245,473</b>

*Facilities/Maintenance Savings: potential additional 2% per year*  
*Year 2: \$94,808*  
*Year 3: \$92,612*

It is suggested by the RPC Sub-Committee that the savings in Facilities/Maintenance will be achieved through the identification of economies of scale and reduced duplication/redundancies of services. Additional savings may be achieved through intentional collaborations with town/community services, many of which are already taking place. A potential framework for the estimation of savings is contained in Table 11 below. During Year 1, the reduction in the EPS subsidy represents an *avoidance of additional cost* to the communities of the proposed RSU. In this model, the figures in the Current Costs column were used to calculate Years 2 and 3 without regard to any annual increase. The RPC Subcommittee believes that a commitment to timely facilities maintenance and avoidance of a deferred maintenance plan is important.

**Table 11**  
**Facilities/Maintenance Cost Savings from Consolidation**

	Current Facilities/Maintenance Costs	Year 1 EPS Reduction (avoidance of additional cost)	Year 2 Savings Additional 2%	Year 3 Savings Additional 2%
Falmouth	2,412,045	108,170	46,078	45,156
MSAD51	2,552,832	116,315	48,730	47,756
<b>Total</b>	<b>4,964,877</b>	<b>224,485</b>	<b>94,808</b>	<b>92,612</b>

*Transportation Savings: potential additional 2% per year*  
*Year 2: \$46,351*  
*Year 3: \$45,424*

As with Facilities/Maintenance, it is suggested that savings will probably begin to accrue after Year 1 where the budgetary measures to be taken will be associated with absorbing the EPS subsidy reduction in a way that avoids passing on the reduction to the community in the form of additional local contributions. The savings in the area of transportation may be achieved through reduced duplication/redundancies as appropriate and reduction in level of service. As with Facilities/Maintenance, the figures in the Current Costs column were used to calculate Years 2 and 3 without regard to any annual increase.

**Table 12**  
**Transportation Cost Savings from Consolidation**

	Current Transportation Costs	Year 1 EPS Reduction (avoidance of additional cost)	Year 2 Savings Additional 2%	Year 3 Savings Additional 2%
Falmouth	1,263,366	46,993	24,327	23,841
MSAD51	1,147,011	45,835	22,024	21,583
<b>Total</b>	<b>2,410,377</b>	<b>92,828</b>	<b>46,351</b>	<b>45,424</b>

***Savings Not Calculable Until Year 3 of the RSU: Instructional Programming***

There are several areas in which cost savings are anticipated but, given existing contracts, cannot be calculated at this point in time. It is anticipated that some savings will be achieved through retirements and resignations. In the case of the former, as both Falmouth and MSAD51 have a significant number of instructional personnel with significant tenure, it is anticipated that, as

more senior teachers retire, savings will occur through the hiring of more junior in terms of experience and salary. In addition, regardless of consolidation, a percentage of instructional staff will resign (for a variety of reasons). Both retirements and resignations provide opportunities to rethink instructional needs in ways that will continue to enhance the quality of the educational program and perhaps result in additional cost savings. Until consolidation actually occurs, there is no reasonable way to project programmatic changes or savings. These are concerns that are better addressed by the RSU Transition Committee.

- **Start Up Costs**

*RSU Start Up Costs*

Any reorganization requires some 'start up' costs. These costs include those related to legal fees, financial audits, and expenses related to ensuring compatibility of systems and physical moving. In addition, given that contracts are currently in place and must be honored by the RSU (according to the legislation), there are interim personnel costs associated with consolidation. Without projecting specific amounts, the RPC Subcommittee has identified a number of areas in which Start Up/Transition Costs might apply. The RSU Transition Committee should be better able to identify specific costs associated with each of these areas.

*Legal Costs*

- Deeds Property transfers
- Policies
- Personnel Matters
- Incorporation Cost
- Collective Bargaining Cost
- Elections

*Independent and Collaborative Audits*

- Revenues Services IRS and State
- TAX Exempt Certificates
- Banking
- Finalized Audits

*System Office Establishment*

- Network (\$35,000)
- Software Licenses/Transfers (\$35,000)
- Hardware (\$25,000)
- Moving Company (\$20,000)

*Transitional Salaries*

**Summary**

This document has been prepared to assist the RSU Transition Committee in its calculation of Cost Savings, Cost Avoidance, and Additional Costs associated with consolidation. The models contained within this report, as well as all numbers identified have been presented only for modeling purposes. It is anticipated that the RSU Transition Committee will find this information useful as it sorts through the complexity of the law and comes to understand the nature of school funding and reorganization.



**SUGGESTED COST SHARING FORMULA**

Prepared by Richard Spencer and Bruce Smith 11/7/07

**IMPORTANT: THE CALCULATIONS BELOW ARE BASED ENTIRELY ON 2007-08 BUDGET FIGURES FOR THE TWO SCHOOL UNITS. THEREFORE, THEY DO NOT ACCURATELY PREDICT WHAT WILL HAPPEN IN EACH SUCCEEDING BUDGET YEAR, AND MUST NOT BE RELIED UPON FOR THIS PURPOSE. THE ONLY PURPOSE OF THE CALCULATIONS BELOW IS TO ILLUSTRATE THE EFFECT OF THE COST SHARING FORMULA DESCRIBED TO THE LEFT BELOW ON A STATIC BUDGET.**

**Year One:** Calculate the total of all adjusted additional local funds in MSAD No. 51 and Fairmouth for the fiscal year prior to consolidation. Determine the percentage of that total allocated to each town (hereinafter: "Previous Percentages"). Apply those percentages to the total of all additional local funds for the first Regional School Unit budget.

**Year Two:** Determine the total additional local funds for FY Year Two RSU budget. 2/3rds of the total shall be allocated to the towns based on the Previous Percentages. 1/3rd of the total shall be allocated based on the average of the 2 pupil counts for April 1st and October 1st of the most recent calendar year prior to the year of funding.

	Share of Additional Local Funds	% of Share of Additional Local Funds	Cost Shift	2006 State Valuation	FY 2008 Required Local Contribution @ 7.44 mills	Required Local Contribution + Additional Local Funds	Cost Shift as % Required Local Contribution + Additional Local Funds	Required Local Contribution on at 7.44 mills Per Pupil	Share of Additional Local Funds Per Pupil	Total Local Cost Per Pupil by Town	% of RSU costs based on required local contribution (valuation)	% of RSU Costs Based on % Share of Additional Local Funds
Town	4,340,310	45.86%	0	1,766,750,000	13,144,620	17,484,930	0.00%	6,125	2,023	8,148		
Fairmouth	3,708,916	39.19%	0	968,500,000	7,205,640	10,914,556	0.00%	4,575	2,355	6,930		
Cumberland	1,414,604	14.95%	0	369,400,000	2,748,336	4,162,940	0.00%	4,015	2,087	6,082		
Yarmouth	9,483,830		0	3,104,650,000	23,098,596	32,562,426	0.00%	5,243	2,148	7,391	70.94%	29.06%
TOTAL												
Town	4,430,164	46.81%	89,864	1,766,750,000	13,144,620	17,574,784	0.51%	6,125	2,064	8,190		
Fairmouth	3,600,372	38.04%	-108,544	968,500,000	7,205,640	10,806,012	-1.00%	4,575	2,286	6,861		
Cumberland	1,433,199	15.14%	18,595	369,400,000	2,748,336	4,181,535	0.44%	4,015	2,094	6,109		
Yarmouth	9,483,735		0	3,104,650,000	23,098,596	32,562,331	0.00%	5,243	2,148	7,391	70.94%	19.38%
TOTAL												

100.00%  
9.69%  
100.00%

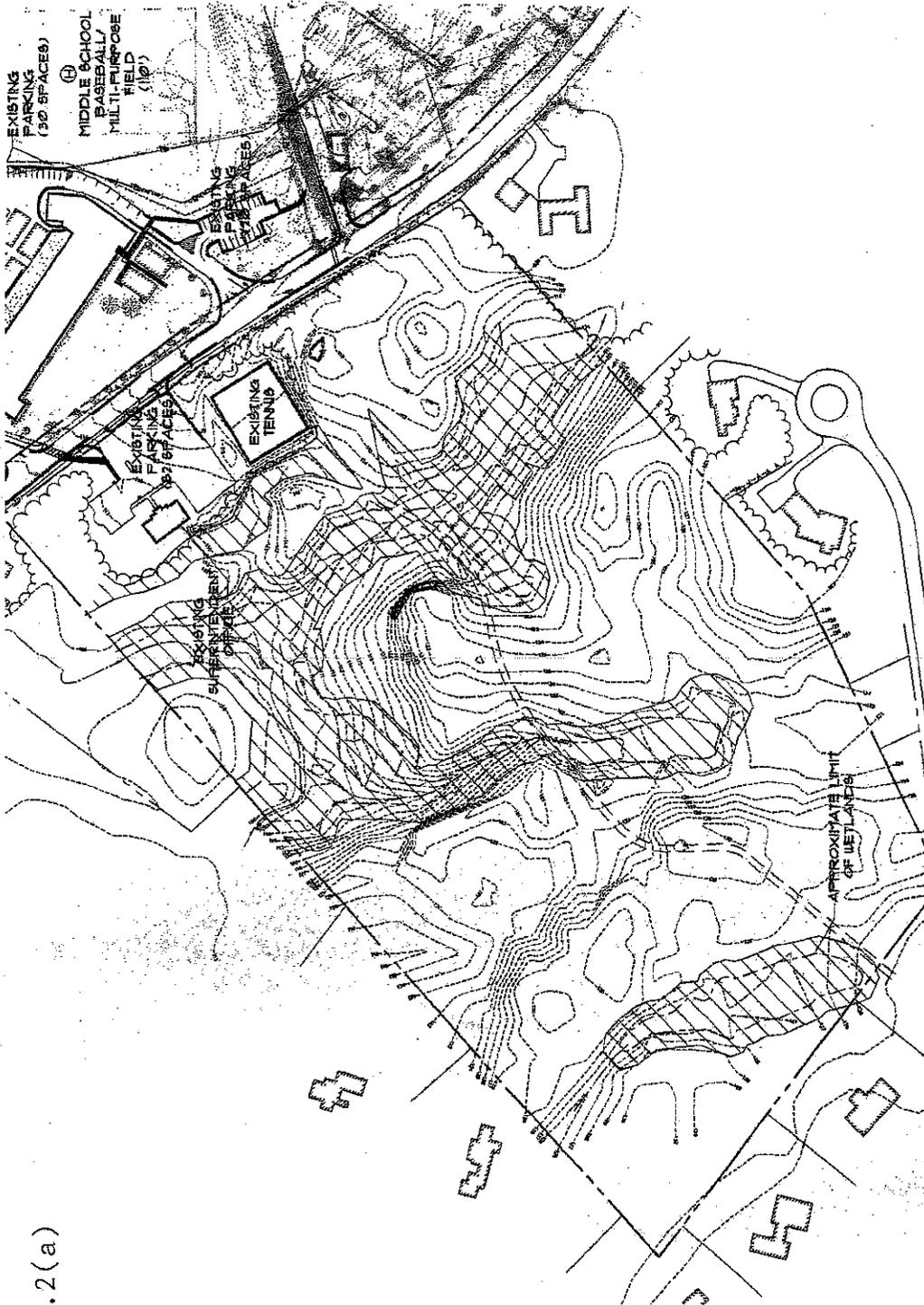


## **EXHIBIT 13-B.2 COST-SHIFT OFF-SET MEASURES**

Consistent with the intent of the Plan to have the costs of additional local funding shared fairly and equitably among its member municipalities of Cumberland, Falmouth and North Yarmouth, the following measures shall be implemented to off-set the projected cost shift for the first 4 years of the operation of the RSU:

1. Implement the 4-year "cost-per-pupil" phase in model as described in Section 13-B.1 and Exhibit 13-B.1;
2. **Falmouth:** To set-off the projected remaining cumulative cost-shift amount of \$539,302 described in Section 13-B.1, the Falmouth School Department will be released from its obligation to transfer to the RSU, Falmouth School Department assets with a collective value of no more than \$1,123,546, which is the amount needed to off-set the projected \$539,302, so that the Department can convey those assets to the Town of Falmouth. The assets the Falmouth School Department to be conveyed to the Town of Falmouth are:
  - a. The sum of \$723,546 from the Falmouth School Department reserve and unallocated fund balances at the end of FY09;
  - b. Its statutory rights over approximately 12 acres of the 26 acres of Falmouth owned excess property located at 51 Woodville Road, on which is located the Falmouth School Superintendent's office, a parking area and tennis courts, to the Town of Falmouth, as shown on the attached sketch Exhibit 13-B.2(a), being that portion of the 26 acres that is surplus and not required by the RSU. The 12 +/- acre parcel is estimated to have a market value of \$400,000. The Falmouth School Department's release of its statutory rights to the 12 +/- acre parcel shall be subject to the following covenants: the Town of Falmouth, upon request of the RSU, shall grant the RSU an access way across the 12 +/- acre parcel to the back 14 acres of the 26 original acres: it shall neither sell nor encumber the 12 +/- acre parcel for a period of 3 years, and shall lease to the RSU, at the RSU's option, the Superintendent's building, for \$1.00 per year for up to 3 years, with the RSU assuming related costs of insurance and other reasonable expenses. The deed of conveyance to the 12 +/- acre parcel and easement deed to the RSU that includes the covenants described above, shall be executed and delivered as of the operational date of the RSU.

EXHIBIT 13-B.2(a)



**ELEMENTARY SCHOOL PROJECT**

Falmouth, Maine

December 2007

**MASTER PLAN - EXIS**



**NORTH**

*Existing Site*

05 Dec, 2007 - 8:15am  
C:\p06\20702.01\_MP-Exis-Site.dwg



## **EXHIBIT 13-D.1**

The following tuition contracts are in existence as of the date of the Plan:

**Falmouth**

NONE

**MSAD #51**

Chebeague Island Tuition Agreement to educate all Chebeague Island students in grades 6 through 12, to expire June 30, 2014.

**Exhibit 13-D.2**

The following SAUs offer some or all of their students a choice of which school to attend:

**Falmouth**

NONE

**MSAD51**

NONE

**Exhibit 13-E**

The parties are aware of the following lawsuits, administrative complaints, due process proceedings, notices of claim and other claims existing as of November 30, 2007:

**Falmouth**

NONE

**MSAD51**

NONE

## **EXHIBIT 13-F**

The Falmouth and MSAD #51 School Boards have each approved by majority vote the submission of this school reorganization Plan prepared by the Falmouth School Department and MSAD #51 Reorganization Planning Committee:

### **Falmouth**

See attached excerpt from minutes of November 26, 2007 Falmouth School Board Meeting.

### **MSAD #51**

See attached minutes of November 19, 2007 Board of Directors' meeting.

From meeting minutes of November 26, 2007 – Falmouth School Board

New Business – 13F

Mr. Terison with a second from Mrs. Franklin moved the Board authorize Beppie Cerf and Kathy Hillman-Reed to sign off on the RPC submission to the Department of Education (December 1, 2007 plan-to-date). The motion was approved 7 – 0.

MAINE SCHOOL ADMINISTRATIVE DISTRICT #51  
CUMBERLAND / NORTH YARMOUTH  
P. O. Box 6A  
Cumberland Center, ME 04021  
Web site: [www.msad51.org](http://www.msad51.org) - Phone: 829-4800  
Board of Directors

Minutes

7:00 PM

Monday  
November 19, 2007

Greely Middle School  
Cafeteria

---

1. Call To Order - by MSAD #51 Board of Directors Chairperson, Peter Bingham 7:00 PM.

**Attendance:**

**Board of Directors:** Jim Ballinson, Peter Bingham, Susan Campbell, Virginia Dwyer, Dan Panici, Dave Perkins, Tom Shepard, Bob Vail

**Administrators:** Kim Brandt, David Galin, Robert Hasson, Scott Poulin, Melissa Skahan

2. **Approval of Minutes** - of the Board of Directors meeting held on November 5, 2007.

Motioned 2<sup>nd</sup> ed

Voted: To approve the minutes of the Board of Directors meeting held on November 5, 2007.

(Voted: 8-0)

3. **Public Comment**

4. **Superintendent's Report**

5. **Presentations**

- a) Data Review— Grades 6-12 Building Updates – David Gain

6. **Committee Reports**

- a) Finance
- b) Policy
- c) Negotiation
- d) Facilities
- e) Consolidation Representatives
- f) Non-Standing Committees

7. **Items for Action**

- a) Second reading and vote to approve policies:

- IJOC – School Volunteers
- BCB - Conflict of Interest

Motioned 2<sup>nd</sup> ed

Vote: To approve policies, IJOC and BCB. (Voted: 8-0)

- \*b) Vote to authorize the MSAD #51 Chairman of the Board to sign and submit the Reorganization Committee plan to the Maine Dept. of Education

Motioned 2<sup>nd</sup> ed

Vote: To authorize the MSAD #51 Chairman of the Board to sign and submit the Reorganization Committee plan to the Maine Dept. of Education. (Voted: 8-0)

8. Communications

9. Adjourn Meeting 10:11 PM

**Upcoming Meetings/Events**

- 11/15 through 11/17/07 – 'Once Upon a Mattress', GHS, 7:30 PM
- 11/17/07 GHS All State Auditions, Gorham
- 11/18/07 "Once Upon A Mattress" Musical, GHS, 2:00 PM
- 11/19/07 Parent/Teacher Conferences – no school
- 11/19/07 GHS Winter athletics first practice date
- 11/20/07 Parent/Teacher Conferences – no school
- 11/21 through 11/23/07 Thanksgiving Break – no school
- 11/22/07 Thanksgiving – no school
- 11/27/07 PTO Family First Night
- 11/28/07 Early Release: Grades K-5 @ 12:20 PM and Grades 6-12 @ 1:15 PM
- 11/29/07 School Board meeting, Cumberland Town Hall, 7:00 PM
- 11/30/07 GMS – end of 1<sup>st</sup> trimester
- 12/3/07 School Board meeting, Cumberland Town Hall, 7:00 PM
- 12/4/07 Chanukah begins at sunset through 12/4/07
- 12/5/07 Early Release: Grades K-5 @ 12:20 PM and Grades 6-12 @ 1:15 PM
- 12/8/07 ACT Test
- 12/8/07 PTO Holiday Workshop @ GMS Gym, 2:00 PM
- 12/12/07 Early Release: Grades K-5 @ 12:20 PM and Grades 6-12 @ 1:15 PM
- 12/13/07 Arts Alliance Meeting, MIW, 3:00 PM
- 12/13/07 GMS Winter Concert, 7:00 PM
- 12/14/07 GHS mid-quarter progress reports
- 12/17/07 School Board meeting, GMS, 7:00 PM
- 12/19/07 Early Release: Grades K-5 @ 12:20 PM and Grades 6-12 @ 1:15 PM
- 12/22/07 First day of winter
- 12/24/07 through 1/2/08 No School, holiday break
- 12/25/07 Christmas
- 1/1/08 New Year's Day, no school
- 1/2/08 Teacher In-Service, no school
- 1/3/08 Classes resume

**Next School Board Meeting:**

Thursday, November 29, 2007 at Cumberland Town Hall, 7:00 PM

The School Board calendar is available on the District web site, [www.msad51.org](http://www.msad51.org), and copies are available at the Superintendent's office.

## **Appendix A**

Updated List of Municipal Issues Regarding School Consolidation.

### **Falmouth**

Kay Rand Memorandum dated November 2, 2007 to Nathan Poore, Town Manager,  
Falmouth

### **Cumberland**

William R. Shane Memorandum dated November 3, 2007 to Cumberland School  
Consolidation Members

207 622-9671 main  
207 626-0200 facsimile  
bsgs.bernsteinshur.com

**BERNSTEIN SHUR**  
**Government Solutions**

146 Capitol Street  
PO Box 5057  
Augusta, ME 04332-5057

# Memorandum

To: Nathan Poore, Town Manager, Town of Falmouth  
Cc: Geoffrey Hole, Esq., Sue Bell  
From: Kay Rand  
Date: November 2, 2007  
Re: Updated list of Municipal Issues Regarding School Consolidation

**Background:** On October 24<sup>th</sup>, Kay Rand and Sue Bell met with the town manager and department heads to review a preliminary checklist of municipal/school financial, contractual, legal and operational relationships prepared by BSGS. The Falmouth officials identified a number of issues that will need to be more closely examined to determine how best to untangle the municipal/school relationship and affect an orderly reorganization of the municipal school department into a new Regional School Unit.

An inventory of issues was identified at that meeting under each of the topical headings prepared by BSGS. A meeting was held on November 2 with the town manager and selected department heads to delve into the issues that were identified, to develop a list of items for which additional research may be required, and to tentatively arrive at preferred outcomes for each of the action items. A fuller and more complete report from this updated list will be prepared for a later presentation to the Falmouth Town Council, then to the RSU Planning Committee.

Italicized items in the list are beyond the current scope of work which focuses only on the municipal side of the joint relationship.

Updated Checklist of Municipal/School Relationships in Falmouth that Need to Be Analyzed

**1. Real Property**

- a. High school generator purchased by Town to prepare building for use as an American Red Cross regional shelter  
Action: Ask Town Attorney (Bill Plouffe) to review agreement with American Red Cross  
Preferred Outcome: Commitment by RSU to allow high school to be used as regional shelter, perhaps codified in a Memorandum of Agreement
- b. Falmouth is on the list of school construction projects for 2011 to replace Lunt School (K-2) and Plummer-Motz School (3-4) which are both very overcrowded. Abandoned school buildings in the town need to be offered to the Town of Falmouth at no cost  
Action: Existing state law (20-A, §4103) appears sufficient to assure that the schools will be offered to the Town if the school board determines that the schools are no longer necessary for school purposes -- since there is no debt on either school, they should be transferred back in that case at no cost to the Town  
Preferred Outcome: Commitment by RSU to transfer Lunt and Plummer-Motz Schools to the Town
- c. Continued access to school facilities for use as polling sites  
Action: Analyze historical use of schools as polling sites; Kay will follow up with Town Clerk  
Preferred Outcome: Commitment by RSU to allow use of schools as polling sites
- d. Continued access to school facilities and school buses for use for community programs
  - i. Use of schools buses for recreational programming on early release days; summer day camp; Striders Running League
  - ii. Use of school facilities by Adult Education and Recreation Programs (Summer Day Camp; Summer Tennis)Action: Review all programs; identify all town uses of school property  
Preferred Outcome: Commitment from RSU to allow uses to continue
- e. Tennis courts at the high school and School Park (nature trail and playground) were built with federal Land and Water Conservation (LAWCON) funds. Federal strings are attached to the receipt of LAWCON funds, including guaranteed public use as a recreational facility.  
Action: Seek approval from LAWCON (National Park Service) to transfer facilities to the new RSU

Preferred Outcome: Transfer ownership and obligations for federal reporting and compliance to RSU

- f. Storage of school buses at Public Works if Middle School storage area is needed for drainage mitigation associated with the artificial turf field construction
  - Action: Determine whether Middle School storage area will be required for mitigation (Lucky will check with the turf project engineer)
  - Preferred Outcome: Use alternative site for mitigation (River Point Park is a potential option), there are space issues at Public Works
- g. Need for easement to maintain pump station located adjacent to the Middle School on what will become RSU property
  - Action: Draft easement
  - Preferred Outcome: Negotiated easement with School Department that will be honored by RSU
- h. Superintendent's office is on municipally owned property
  - Action: Verify ownership; conduct title search
  - Preferred Outcome: To be determined

## 2. Personal Property

- a. Equipment such as soccer goals and basketball equipment used jointly by school and community programs
  - Action: Develop list of personal property (Matt in Community Programs) and how it was acquired
  - Preferred Outcome: Allow continued used by Community Programs; notify donor of the equipment of the proposed transfer

## 3. Debt (Bonds, Notes, Lease Purchase Agreements)

- a. \$4 million of local debt issued for high school
  - Action: Examine details of bond covenants to determine whether there would be issues preventing a transfer; determine bond holder notification requirements and process (John to discuss with bond counsel). Do not transfer local debt if other communities within the RSU do not transfer local debt.
  - Preferred Outcome: Do not transfer remaining debt (\$3,164,300 as of 6/30/08) to RSU.
- b. Capital leases for 4 buses estimated at \$76,343
  - Action: Confirm with Gorham Savings Bank the ability to transfer the lease to the RSU
  - Preferred Outcome: Transfer lease purchase agreement to RSU with remaining debt

#### 4. Legal Obligations/Contractual Commitments

- a. Agreement Regarding the Stadium Field between the Town, School and Falmouth Education Foundation d/b/a Game On
  - Action: Review agreement to determine whether provisions requiring reimbursement for the costs of the artificial turf; granting exclusive right to the Town to rent and manage the stadium field; and to collect and maintain rental fees continue to be necessary
  - Preferred Outcome: Commitment by RSU to honor the obligations committed to by the Falmouth School Department that are outlined in the agreement
  
- b. Agreement with American Red Cross – use of high school as regional shelter (see 1a)
  - Action: Ask Town Attorney (Bill Plouffe) to review agreement with American Red Cross
  - Preferred Outcome: Commitment by RSU to allow high school to be used as regional shelter, perhaps codified in a Memorandum of Agreement
  
- c. Town Charter
  - Action: Charter contains terms limits and recall provisions for school board members that will not pertain to the new regional school board
  - Preferred Outcome: These are policy decisions that need to be discussed by the Council to determine whether any action is necessary
  
- d. Falmouth ordinance re: Use of Town and School Facilities (Article III)
  - Action: Review to determine whether there are any rights, obligations or restrictions regarding school property or operations that the RSU should continue to honor; consider amending the ordinance to reflect new school organization
  - Preferred Outcome: The ordinance creates a right of priority use of school facilities for Falmouth organizations and Falmouth residents that should become an obligation of the RSU
  
- e. Falmouth ordinance re: Parks and Public Lands
  - Action: Review to determine whether there are any rights, obligations or restrictions regarding school property or operations that the RSU should continue to honor
  - Preferred Outcome: To be determined
  
- f. Falmouth ordinance re: Sexual Orientation
  - Action: Review to determine whether there are any obligations pertaining to the Falmouth School Department that should be extended to the new RSU
  - Preferred Outcome: To be determined

- g. Cable TV Franchise Agreement with Time Warner  
Action: Review terms of agreement requiring coverage of Falmouth School Board meetings  
Preferred Outcome: Negotiate with Time Warner to ensure continued coverage of new RSU School Board meetings on the local access channel

## 5. School Finances

- a. Disposition of existing school revenues and obligations – do they get transferred or retained by the Town for use by Falmouth residents only?

- i. Balances
- ii. Reserve Funds
- iii. Scholarship Funds
- iv. Trust Funds

Action: A review indicates that there is a \$180,000 construction retainage; a \$300,000 capital reserve; a \$500,000 unallocated reserve; and \$169,398 in a school activity account; **determine whether these accounts should reduce Falmouth's contribution to the RSU pursuant to section 1463, subsection 3**

Preferred Outcome: Allow these funds to be transferred to the RSU for appropriate purposes as determined by the Falmouth School Department with potential offsetting reduction

## 6. Personnel

- a. School Resource Officer/DARE Officer – employee of Falmouth Police Department

Action: Determine appropriate role for this position in the new RSU; determine cost to Town of this position, including associated expenses such as DARE supplies

Preferred Outcome: For public safety purposes, it is critical that this position be retained and used by Falmouth schools; negotiate financial commitment from RSU to support position for 10 months each year

- b. School personnel in Town's retirement plan

Action: Work with Maine State Retirement System (MSRS) to determine process for amending Falmouth's Participating Local District Plan; assess compliance of MSAD #51 with MSRS requirements to offer participation to all new employees

Preferred Outcome: Work with MSRS and MSAD #51 to transfer school, non-teacher personnel out of municipal plan and into a new non-teacher RSU retirement plan with MSAD #51 non-teacher school personnel

- c. *Collective bargaining agreements - any show stoppers?*  
d. *Personnel policies – any significant disparities of financial significance?*

## 7. Operational Policies/Procedures/Agreements

### a. Joint municipal/school operations

- i. Maintenance of school buses by Public Works  
Action: Review time spent and cost of maintaining buses; estimated preliminarily to be 25% of total time spent by the Public Works department  
Preferred Outcome: Encourage RSU to consider all options for possible cost savings including but not limited to using Falmouth Public Works Department for all school bus maintenance activities, provided this is also the best option for the Town of Falmouth.
- ii. Manage school facility use and scheduling by Community Programs  
Action: Determine time spent managing and scheduling uses; it is done on-line  
Preferred Outcome: Retain the responsibility for managing and scheduling uses with the Town to allow access and efficiency of one-stop shopping.
- iii. Adult education is imbedded as a program managed by Community Programs  
Action: Determine time spent managing and scheduling adult education programming; town performs all the administrative work associated with this program  
Preferred Outcome: Retain responsibility for managing and scheduling adult education program for Falmouth residents with the town
- iv. Police Department cameras monitor school exterior; Falmouth PD in charge of school security measures  
Action: Determine time spent monitoring school cameras and importance of this continued activity  
Preferred Outcome: Maintain use of Falmouth PD in this capacity, offer security system software and program to other schools in RSU
- v. Police Department presence at school events  
Action: Determine time spent at school events and revenue received  
Preferred Outcome: A police presence at these events is critical and in some cases (hockey rink) is mandatory. RSU should continue to use Falmouth PD in this capacity.
- vi. Maintenance of tennis courts on school property by Public Works  
Action: Determine time spent maintaining tennis courts – are all costs covered?



# M E M O R A N D U M

TOWN OF CUMBERLAND, MAINE

290 TUTTLE ROAD

CUMBERLAND, MAINE 04021

TEL: 207-829-2205 FAX: 829-2224

To: Cumberland School Consolidation Members  
From: William R. Shane, Cumberland Town Manager  
cc: Ken Cole, Town Attorney  
Cumberland Town Council  
Subject: Updated list of Municipal Issues Regarding School Consolidation  
Date: November 3, 2007

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**Background:** On November 3<sup>rd</sup>, I received a copy of the "Updated list of Municipal Issues Regarding School Consolidation" from Nathan Poore the Falmouth Town Manager. The memo was prepared by attorneys from Bernstein Shur and paid for by the Town of Falmouth. The memorandum provides an excellent outline structure for the issues for the Town of Falmouth regarding the Consolidation. Cumberland Town Councilor Shirley Storey King and I have been in constant communication on all issues revolving around school consolidation and she and I both feel that the format presented by Falmouth is an excellent structure to follow for the Town of Cumberland.

Because Cumberland is part of MSAD 51, many of the issue raised by Falmouth are not applicable to Cumberland. MSAD 51, in fact, functions as a mini-RSU. We have enjoyed a productive and positive relationship with Dr. Robert Hasson, Superintendent, and Mr. Scott Poulin, Business Manager, during my tenure here as Town Manager and believe the relationship with the RSU will be the same.

The following list of issues is formatted identically to Falmouth's memo and I hope will provide our consolidation team members a side by side comparison. Thank you to Nathan Poore and his staff for identifying the key elements from the municipal side in a concise and easy to follow manner.

Updated Checklist of Municipal/School Relationships in Cumberland that Need to Be Analyzed

1. Real Property

- a. **The Town purchased a portable generator** to prepare the Drowne Road School building for use as an Emergency Shelter and the primary School Evacuation site for the Middle and High School.  
Action: To develop a formal agreement with MSAD 51 for use of the Drowne Road School and ask Town Attorney (Ken Cole) to prepare document for MSAD 51 review.  
Preferred Outcome: Commitment by RSU to allow Drowne Road School to be used as regional shelter, perhaps codified in a Memorandum of Agreement (MOA)
- b. **Drowne Road School** housing only third grade presently may be a candidate for closure. The Town and MSAD have sold this school back to each party over the past years and there is an outstanding bond on the last improvements done at the Drowne Road that should be reviewed.  
Action: None at this time, existing state law (20-A, §4103) appears sufficient, requiring schools that are no longer necessary for school purposes to be transferred to the municipality  
Preferred Outcome: Commitment by RSU to transfer Drowne Road School to Town if the use as a school is no longer necessary.
- c. **Continued access to school facilities for use as polling sites**  
Action: Not Applicable
- d. **Continued access to school facilities and school buses for use for community programs**
  - i. Use of schools buses for recreational programming on early release days; summer day camp, etc.
  - ii. Use of school facilities by Adult Education and Recreation Programs including Summer Day CampAction: Review all programs; identify all town uses of school property and current payment structure to MSAD 51 for uses of school buses.  
Preferred Outcome: Commitment from RSU to allow uses to continue
- e. **Tennis courts at Val Halla** were built with federal and Town funds  
Action: Determine Federal funding requirements and seek Federal approval (if necessary) to transfer facilities to the new RSU  
Preferred Outcome: Transfer ownership and obligations for federal reporting and compliance to RSU

f. **Storage of school buses at Public Works**

Action: Determine extent of storage area needed for buses outside of MSAD 51 property and design /construct parking and plug-in facilities for winter bus storage if buses are intend to remain in Cumberland. (Requires Planning Board approval)

Preferred Outcome: Use alternative site mutually accessible to all RSU members for bus storage and maintenance.

g. **Pump Station Easement - Not applicable to Cumberland**

h. **Superintendent's office – Not applicable to Cumberland**

**2. Personal Property**

- a. The Town and MSAD 51 have independently purchased equipment such as soccer goals and basketball equipment which have been used by the MSAD and community recreation programs

Action: Develop MOA with MSAD for continuation of past practice.

Preferred Outcome: A seamless transition to allow continued used by Recreation Department and new RSU of equipment purchased for MSAD and Recreational programs.

**3. Debt (Bonds, Notes, Lease Purchase Agreements)**

- a. **Local debt issued for High School addition and all other Schools**

Action: MSAD in collaboration with Town of Cumberland and North Yarmouth will determine local debt allocations. Town of Chebeague Island may also be required to participate in debt repayment schedule.

Preferred Outcome: Transfer remaining debt to RSU

- b. **Capital leases – MSAD 51 will need to supply information for this section**

- c. **Drowne Road School Lease Purchase-** The Town and MSAD 51 entered into a Lease purchase agreement for Drowne Road school in March of 2003. The Agreement requires annual payments of \$182,240.52 through March 31, 2014 to the Town of Cumberland.

Action: Review documents and establish procedures for transfer of lease purchase agreement.

Preferred Outcome: Transfer agreement to RSU

#### 4. Legal Obligations/Contractual Commitments

- a. **Memorandum of Understanding (MOU)** regarding modifications to Twin Brook Park Athletic Fields on the Greely Road between MSAD 51 and Kay and Greg Fowler needs to be transferred to RSU.

Action: Review agreement to determine whether provisions requiring removal of scoreboards, backstops, pitching / batting cages, goal posts and other appurtenances continue to be necessary  
Preferred Outcome: Commitment by RSU to honor the obligations of the existing MOU and to transfer document from MSAD 51 to new RSU.

- b. **Agreement with American Red Cross** – not applicable today, but would like to continue to develop Drowne Road School into Disaster Shelter for catastrophic events.

Action: Ask MSAD 51 to determine feasibility of request.  
Preferred Outcome: Commitment by RSU to allow Drowne Road School to be used as regional shelter, perhaps codified in a Memorandum of Agreement

- c. **Town Charter**

Action: Article V of the Town Charter: School Administrative District:

- i. Management
- ii. Qualifications
- iii. Vacancies
- iv. Terms of Office

The Town Attorney will review and recommend to the Town Council if a Charter amendment or a Charter Commission will be needed to make the changes to the Town Charter once the RSU is established.

Preferred Outcome: These are policy decisions that need to be discussed by the Council and hopefully only a Charter amendment will be necessary since the action was caused by the Legislature.

- d. **Cumberland Zoning Ordinances re: Municipal Uses**

Action: Consult with Town attorney and review ordinances to determine if the Town's zoning includes definitions and district uses for "School Uses". Typically, Public School uses have been interpreted as municipal, but a clear definition and permissive uses in the Town Zoning districts may be in order to eliminate confusion or misinterpretation.

Preferred Outcome: Change the Town Ordinance to reflect new School Structure.

e. **Cumberland re: Parks and Public Lands Policies**

Action: Review to determine whether there are any rights, obligations or restrictions regarding Town properties or operations that the RSU should continue to honor; such as, Twin Brook Facility Use Policy, Rines Forest Facility Use Policy, etc. Also Cumberland has a land purchase policy that incorporates Town and MSAD 51 needs that will need to be modified.

Preferred Outcome: To be determined

f. **Cumberland Personnel Policy re: Sexual Orientation**

Action: May not be applicable, but the Town of Cumberland has a sexual orientation policy as part of its Personnel Policy that's should be reviewed to determine whether there are any obligations that should be extended to the new RSU.

Preferred Outcome: To be determined

g. **Cable TV Franchise Agreement with Time Warner**

Action: There is no Time Warner agreement requiring coverage of MSAD 51 School Board meetings. It strictly is a local broadcast requirement; however, when MSAD 51 meetings are broadcast in North Yarmouth they can not be seen in Cumberland unless our station is shut down.

Preferred Outcome: Negotiate with Time Warner to ensure continued coverage of new RSU School Board meetings on a new **local educational access channel that can be seen by each community.**

h. **Lease Agreement – Greely Road Fields Twin Brook**

Action: The Town and School have a perpetual lease on the parking lot, access road, baseball, football, softball and future field hockey field at Twin Brook. The MSAD is required to maintain the facility and permit all improvements through the Planning Board.

Preferred Outcome: Transfer Lease Agreement to RSU and clearly define maintenance responsibilities. Presently, the Town and MSAD exchange custodial services for maintenance of these fields, the parking lot and road.

## 5. School Finances

- a. Disposition of existing school revenues... MSAD Policy Issue
  - i. Balances
  - ii. Reserve Funds
- b. Scholarship Funds and Trust Funds for Cumberland and North Yarmouth residents held by the Town of Cumberland
  - Action: A review by the Cumberland Finance Director will be needed to determine the value and annual disbursement of each fund
  - Preferred Outcome: Allow the existing scholarship and trust funds to remain with Cumberland and be distributed by the present Scholarship Committee structure for Greely Students (this will maintain the spirit in which the trust funds were established).

## 6. Personnel

- a. School Resource Officer/DARE Officer – employee of Cumberland Police Department
  - Action: Determine appropriate role for this position in the new RSU; determine cost to Town of this position, including associated expenses such as DARE supplies
  - Preferred Outcome: For public safety purposes, it is critical that this position be retained and used by Cumberland schools; negotiate financial commitment from RSU to support position for 10 months each year (this will represent an increase in the present funding model with MSAD 51 from \$25,000 per year. New funding under the 10 month proposal would be closer to \$58,000 per year).
- b. School personnel in Town's retirement plan – Not applicable
- c. Collective bargaining agreements - Not applicable
- d. Personnel policies – Not applicable

## 7. Operational Policies/Procedures/Agreements

- a. Joint municipal/school operations
  - i. Maintenance of school buses by Public Works – Not Applicable
  - ii. Manage school facility use and scheduling by Community Programs
    - Action: Determine time spent managing and scheduling uses
    - Preferred Outcome: Retain the responsibility for managing and scheduling uses with the Town.

- iii. **Adult education** is imbedded as a program managed by the Recreation Department.
- Action: Determine time spent managing and scheduling adult education programming; town performs all the administrative work associated with this program cost is currently split with MSAD 51 for state certified Adult Education Director.
- Preferred Outcome: Retain responsibility for managing and scheduling adult education program for Cumberland and North Yarmouth residents with Cumberland
- iv. **Police Department** cameras monitor school exterior scheduled in current High School renovation plans.
- Action: Determine time spent monitoring school cameras and importance of this continued activity
- Preferred Outcome: Maintain use of Cumberland PD in this capacity, offer security system software and program to other schools in RSU
- v. **Police Department** presence at school events
- Action: Determine time spent at school events and revenue received
- Preferred Outcome: A police presence at these events is critical. RSU should continue to use Cumberland PD in this capacity.
- vi. **Maintenance of tennis courts** on Town property at Val Halla by Town Staff
- Action: Determine time spent maintaining tennis courts-- are all costs covered?
- Preferred Outcome: Courts have recently been refurbished by the town, maintenance required is minimal. Transfer maintenance responsibility to the RSU- need to budget \$4,000 annually to cover costs of re-painting and new lines every 5 years (last painted 9/2007)
- vii. **Management of insurance claims** - Not applicable to Town.

viii. **Present exchange of personnel and equipment resources** between MSAD 51 and Town of Cumberland may need to be formalized for snow plowing, paper supply and storage, building maintenance, tree removal, minor construction services, field maintenance, maintenance staff assistance, parking lot striping, signage assistance, daily custodial services, building cleanings and carpet cleanings, etc.

Action: Determine actual costs of services- a conservative estimate for annual savings to both MSAD 51 and Town of Cumberland is \$50,000.

Preferred Outcome: To be determined.

**b. Joint municipal/school procedures**

- i. Joint Emergency Safety Plan- Shared but not directly applicable
- ii. Joint Safety Team – Not Applicable

**8. Pending lawsuits, complaints, other legal claims**

- a. Against Town of Cumberland which implicate school - None

**9. Information Technology Systems – Not applicable**

**10. Insurance Coverages – Not applicable**

**11. Cost sharing**

Action: *Understand impacts to Cumberland*

Preferred Outcome: *Advocate for a cost-sharing arrangement that is fair to all taxpayers served by the RSU*

**12. Governance**

Action: *Discuss representation options with the Council; have RPC liaison represent Council's position*

Preferred Outcome: *A fair representation on the RSU Board for Cumberland residents*

**13. Process and Communications Issues**

- a. *Since the plan to form the RSU will need to be approved by public vote, it is critically important for the Council to be centrally involved in the RPC deliberations, to be in a position to endorse the conclusions of the RPC and be an advocate for the plan with the general public.*

Action: Council representative on the RPC should continue to keep the council abreast of RPC deliberations; town manager should continue to attend all RPC meetings **(Will require Council endorsement in Cumberland)**

Preferred Outcome: Town Council able to support the consolidation plan and be an advocate for its adoption at referendum. The ultimate preferred outcome is adoption of the plan and a successful implementation of the merger - creating enhanced and a more robust educational program for students and cost efficiencies for the taxpayer.