

Plan to Reorganize
the Municipalities of Canton, Carthage, Dixfield and Peru
into a new Regional School Unit

Dated: August 15, 2016

Submitted to the Commissioner of Education for the State of Maine by
the Reorganization Planning Committee, comprised of:

For Canton:	For Carthage:	For Dixfield:	For Peru:
Brian Keene Natalie Sneller Kristi White	Mark Brown Kim Dailey Banaman Weston	Barbara Chow Jennifer Holmes Barry Prescott Jennifer Whittemore	Kris LaPrell Richard Powell Donald Roach Raquel Welch

This Reorganization Plan is submitted by the municipalities of Canton, Carthage, Dixfield and Peru (“the member municipalities”) in accordance with 20-A M.R.S.A. § 1461. For the purposes of this Plan, the term “Withdrawal Agreements” shall refer to the agreements entered into between Regional School Unit 10 and the municipalities of Canton, Carthage, Dixfield and Peru, which will be presented for approval by a referendum vote at the November 8, 2016 election. The term “New RSU” shall refer to a new regional school unit to be formed by the member municipalities in the event the Withdrawal Agreements and this Reorganization Plan are approved at the November 8, 2016 election.

1. Units of school administration to be included.

Canton, Carthage, Dixfield, Peru

2. Size, composition, and apportionment of the governing body.

A. The Board of Directors will consist of twelve (12) members.

B. Composition:

- Dixfield – 5
- Canton – 2
- Carthage – 2
- Peru – 3

C. Term: The term of office for Directors will be three (3) years after the completion of the initial term. In order to create staggered terms of office, the initial terms of office for the first Board of Directors for the New RSU will be as follows:

Canton – Elect one (1) member for a three-year term; elect one (1) member for a one-year term.

Carthage - Elect one (1) member for a three-year term; elect one (1) member for a two-year term.

Dixfield – Elect one (1) member for a three-year term; elect two (2) members for a two-year term; elect two (2) members for a one-year term

Peru - Elect one (1) member for a three-year term; elect one (1) member for a two-year term; elect one (1) member for a one-year term.

D. Apportionment (Pursuant to 20-A M.R.S.A. § 1472(B) – Weighted Voting)

Municipality	Population	Board Members	Votes per Member
Canton	990	2	90
Carthage	560	2	50
Dixfield	2550	5	90
Peru	1541	3	90
Total	5641	12	1000

3. The method of voting of the governing body.

A quorum needs 501 weighted votes.

Voting needs 501 weighted votes to pass a motion.

4. The composition, powers, and duties of any local school committees to be created.

There will be no local school committees.

5. The disposition of real and personal school property.

A. Real property and fixtures. Except as listed below, all real property interests, including without limitation land, buildings, other improvements to realty, easements, option rights, first refusal rights and purchase rights, and all fixtures, transferred to the New RSU in accordance with the Withdrawal Agreement shall become property of the New RSU. The New RSU shall effectuate and obtain such deeds, assignments or other instruments of transfer as in its judgment are necessary to establish the region's right, title and interest in such real property and fixtures.

B. Personal property. All other school tangible personal property, including movable equipment, furnishings, textbooks and other curriculum materials, supplies, inventories and software transferred to the New RSU in accordance with the Withdrawal Agreement shall become property of the New RSU, and the New RSU shall effectuate and obtain bills of sale or transfer, assignments or other instruments of transfer as in its judgment are necessary to establish its right, title and interest in such personal property.

C. Agreements to share or to jointly own property. Not applicable.

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 New RSU Will Assume. In accordance with Section 9 of the Withdrawal Agreements entered between the member municipalities and Regional School Unit # 10, as of July 1, 2017, the New RSU will assume liability for the bonds, notes and lease purchase agreements that originated within M.S.A.D. #21 and for which payment responsibility will be assumed by the New RSU pursuant to Section 9(A) of the Withdrawal Agreements. The New RSU will also reimburse RSU 10 for its share of two school bus bonds as set forth in Section 9(B) the Withdrawal Agreements.

Additionally, the New RSU will assume liability for any other bonds, notes and lease purchase agreements issued by Regional School Unit #10 before July 1, 2017 to benefit schools in the member municipalities, as set forth in Section 9(B)(ii) and Section 10 of the Withdrawal Agreements.

B. Bonds, Notes and Lease Purchase Agreements that the Region Will Not Assume. N/A.

C. New Capital Project Debt that Region Will Issue and Assume. N/A.

D. New Capital Project Debt that the Region Will Issue but Will Not Assume. N/A.

E. Defaulted Debt is Excluded from Being Assumed. N/A.

F. Other Debt Not Assumed. N/A.

7. The assignment of school personnel and related contracts and agreements.

A. School Personnel Contracts. A list of all written individual employment contracts which will be transferred to the New RSU in accordance with the Withdrawal Agreements is attached to the Withdrawal Agreements as Exhibit 1 and attached to this Reorganization Plan as Exhibit 2. The list will not be made final until June 30, 2017, and that final list shall control. Individuals on the list who are employed on the day before the operational date shall become employed by the New RSU as of the operational date. Any unexpired contracts for personnel included on the list shall be assumed by the New RSU as of the operational date, and the New RSU may enter new contracts with personnel whose contracts have expired as of the operational date.

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

B. School Collective Bargaining Agreements. In accordance with Section 13 of the Withdrawal Agreements, the following collective bargaining agreements to which RSU 10 is a party, or any successor agreements entered prior to the operational date, shall be assumed by the New RSU if they are still in effect as of the operational date.

- (1) Bargaining Unit: Western Foothills Education Ass'n: Bus Drivers, Custodians, Grounds and Mechanic Employees

Term: 2015-2018

Applies to: Bus drivers, custodians, grounds and mechanic employees

- (2) Bargaining Unit: The Western Foothills Administrators' Association

Term: 2014-2017

Applies to: Principals, Assistant Principals, Athletic Directors, Directors of Special Services, Technology Directors, Nutrition Directors, Building & Grounds Director and Building & Grounds Assistant Director

- (3) Bargaining Unit: The Western Foothills Education Association

Term: 2015-2018

Applies to: Educational Technicians I, II and III

- (4) Bargaining Unit: Technology and Central Office Staff

Term: 2013-2016

Applies to: Technology staff, Building & Grounds Admin. Asst., Business Manager, Special Education Admin. Asst., Admin. Asst. to the Director of Curriculum Instruction and Assessment/Human Resources, Superintendent's Admin. Asst., Maine Care Billing Specialist, Payroll/Bookkeeper, Asst. Business Manager/Accounts Payable

- (5) Bargaining Unit: School Secretaries

Term: 2015-2018

Applies to: School Secretary, Guidance Secretary, Special Education Secretary, Building/Grounds/Transportation Secretary, Receptionist and Nutrition Services Secretary

- (6) Bargaining Unit: The Western Foothills Education Association (Teachers' Bargaining Unit)

Term: 9/1/2013 – 8/31/2016

Applies to: Certified professional teachers

- (7) Bargaining Unit: Council 93, American Federation of State, County and Municipal Employees, AFL-CIO, RSU #10 Nutrition Service Workers

Term: 2015-2018

All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the New RSU as of the operational date.

C. Other School Contractual Obligations. Other contracts will be transferred to and become the obligation of the New RSU as of the operational date in accordance with the Withdrawal Agreement.

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. RSU 10 will remain responsible for its own existing financial obligations. Except as provided for in the Withdrawal Agreements, such obligations will not be transferred to or assumed by the New RSU. Existing financial obligations shall include the following:

- (i) All accounts payable;
- (ii) To the extent not included in accounts payable, any financial obligations which under generally accepted accounting principles would be considered expenses of RSU 10 for any year prior to the year the New RSU becomes operational, whether or not such expenses were budgeted by the New RSU;
- (iii) All other liabilities arising under generally accepted accounting principles that can be reasonably estimated and are probable.

B. Balances Received from RSU 10. Any funds transferred by RSU 10 to the New RSU in accordance with Sections 12, 15 and 16 of the Withdrawal Agreements shall be paid to the treasurer of the New RSU, verified by audit and deposited into New RSU accounts as deemed appropriate under generally accepted accounting standards.

- i. Reserve Accounts. Transferred reserve accounts shall be subject to Title 20-A M.R.S.A. § 1491. 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 New RSU.
- ii. Scholarships. Scholarships shall be limited to the original pool of potential recipients unless otherwise provided by the donor or by applicable law.
- iii. Trust Funds. The New RSU shall be deemed the successor trustee for all trust funds received, except as provided by the trust or by applicable law.

9. A transition plan that addresses the development of a budget for the first school year of the unit and interim personnel and other policies.

A. Transition Plan for Budget Development. The member municipalities shall act as soon as practicable to elect a Board of Directors. The costs of this election shall be paid by each municipality out of the funds appropriated by the municipality for the withdrawal process; voter approval of this Agreement shall constitute an appropriation of said funds for said purpose. The Board shall establish interim rules of procedure, which may be the same rules of procedure adopted by RSU 10, and shall elect interim officers who shall serve until officers are elected at a meeting following the operational date of the New RSU.

The New RSU board shall select a superintendent of schools in accordance with Title 20-A M.R.S.A. Section 1051. During the interim period, the salary, office and other expenses of the superintendent, as well as the cost of the regional school unit board, including insurance, shall be allocated to the member municipalities as provided below.

Following the issuance of a certificate of organization by the State Board of Education, the school board shall begin the process for developing a proposed budget for educational programs and services for the fiscal year beginning July 1, 2017. In developing the proposed budget, the school board shall consider potential cost savings and additional costs that may result from reorganization. The school board may also consider changes in operations that may be necessary in order to reduce costs without adversely affecting the educational program. During the months of February and March, the school board shall conduct meetings and budget workshops as necessary to develop a proposed budget for the first operational year of the regional school unit. Specific duties may be assigned to existing personnel with the approval of the RSU 10 superintendent.

A proposed budget with supporting documentation shall be developed in time for its presentation to and consideration by the New RSU board of directors. The regional school unit board shall complete the budget development process and recommend a budget for consideration by the voters.

The New 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 region. The budget format, approval procedures and assessments for the New RSU's first operational year budget shall be in accordance with 20-A M.R.S.A. § 1482-1489. The regional school unit 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 New RSU board shall be authorized to take all other actions and shall have all other authority provided under state law to prepare for the regional school unit to become operational on July 1, 2017, including the authority to open and maintain accounts, and to incur expenses not to exceed \$165,000 to be allocated among the regional school units' member municipalities in accordance with the method to be used for determining additional local funds contributions as set forth in Section 13-B of this Reorganization Plan. The New RSU board shall further be authorized to file applications for school construction projects and revolving renovation fund loans, issue tax anticipation notes, and obtain other available financing.

B. Transition Plan for Personnel and Other Policies All personnel policies existing in RSU 10 shall continue to apply to employment positions maintained by the New RSU prior to the operational date. Prior to the operational date, the New RSU Board and the superintendent shall develop and adopt region-wide policies in accordance with applicable law.

10. Documentation of the public meeting or meetings held to prepare or review the reorganization plan.

The Reorganization Planning Committee held public meetings on July 14, July 21, July 28, August 4 and August 15, 2016. Public hearings will be held in each member municipality in conjunction with planned public hearings on the Withdrawal Agreements.

11. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan.

In accordance with Sections 2 and 18 of the Withdrawal Agreements, the member municipalities will not withdraw, and will not form the New RSU unless the voters of all member municipalities vote to approve withdrawal from RSU 10 and formation of the New RSU. Should one or more member municipalities vote to withdraw from RSU 10 but not to form the New RSU, the member municipalities may restart the process to form a regional school unit provided all of the member municipalities will be involved in the unit. The operational date of such unit shall be as specified in Section 2 of the Withdrawal Agreements.

12. An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved.

The member municipalities have evaluated the potential costs and savings related to withdrawal from RSU 10 and operation of a New RSU. Based upon the RSU 10 budget for 2016-2017, and taking into account only the operational costs attributable to facilities, staff and administration to be transferred to the New RSU, it appears as though the New RSU could have operated in 2016-2017 on a budget of approximately \$12,500,000, which is comparable to the member municipalities' share of the RSU 10 budget for the same year.

The Reorganization Planning Committee further recommends that the Board of Directors of the New RSU examine the possibility of agreement(s) with one or more neighboring RSUs to share certain central services, such as superintendent, central services, transportation, food service, maintenance and technology.

13-A. Plans to reorganize administration, transportation, building and maintenance and special education.

The New RSU will organize administration, transportation, building and maintenance and special education in a way that is substantially similar to the methods currently in place in RSU 10. The New RSU will acquire from RSU 10 the staff necessary to meet its needs in each of these categories, but will need to hire new directors of these departments where the related staff is not being transferred from RSU 10. The Reorganization Planning Committee recommends that the New RSU Board reduce the number of administrative staff from that in use within RSU 10 to reduce central office costs and/or pursue shared services as discussed in Section 12.

13-B. Cost Sharing.

Costs of Essential Programs and Services for the New RSU will be shared among all member municipalities by the method set forth for the determination of the local contribution in 20-A M.R.S.A. § 15688. This is commonly referred to as being based on the percentage of the local community's valuation as compared to the total valuation of all the communities in the RSU.

Costs for Additional Local Funds as set forth in 20-A M.R.S.A. § 15690 shall be apportioned to each member municipality based 50% on the member municipality's percentage of the local community's valuation as compared to the total valuation of all the communities in the RSU, and 50% based on the member municipality's percentage of students contributed to the RSU as compared to the total student population of the RSU. The percentage of pupils shall be calculated based upon average pupil counts for the prior school year.

The method of sharing the local (non-EPS) costs of the New RSU may be changed after its first 3 budget years by a district referendum called by the board of directors.

13-C Election of initial Board of Directors.

Within 30 days of the issuance of a certificate of organization for the New RSU by the State Board of Education, the RPC shall meet for the purpose of electing an interim secretary of the New RSU and determining a date for the election of the initial board of directors of the unit. The interim secretary shall notify the municipal officers of the member municipalities of the regional school unit 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 regional school unit 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 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 member municipality 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.

The Superintendent of the New RSU may enter superintendent's agreements for the sending and receipt of students. The New RSU board may approve tuition contracts with other school administrative units.

13-E. Claims and insurance.

None

13-F. Vote to approve plan.

The Reorganization Planning Committee approved this plan by an affirmative vote of 10 out of 14 at a meeting held on August 15, 2016. The referendum vote to approve the Reorganization Plan will occur in the four member municipalities on November 8, 2016.