

Veazie Town Council
Budget Workshop

Monday May 7, 2012
Veazie Council Chambers

6:00 PM



- ITEM 1. Call to Order
- ITEM 2. Secretary call the Roll Call
- ITEM 3. Presentation of Proposed Budget
- ITEM 4. Adjourn Budget Workshop

Veazie Town Council

Monday May 7, 2012
Veazie Council Chambers

7:00 PM



AGENDA

- ITEM 1. Call to Order
 - ITEM 2. Secretary call the Roll Call
 - ITEM 3. Pledge of Allegiance
 - ITEM 4. Consideration of the Agenda
 - ITEM 5. Approval of the April 23, 2012 Council Meeting Minutes
 - ITEM 6. Public Comments
- Unfinished Business:
- ITEM 7. Open Public Hearing for Proposed Budget for FY 2012-2013
 - 1. Presentation and overview of proposed budget
 - 2. Questions by members of the Council

3. Comments and questions by members of the public

4. Close public hearing

- ITEM 8.** Act on the Municipal Budget
- ITEM 9.** Meeting with John Holden regarding the TIF Amendment
- ITEM 10.** Sign Town Meeting Warrant
- ITEM 11.** Manager's Report
- ITEM 12.** Comments from the Public
- ITEM 13.** Requests for Information and Town Council Comments
- ITEM 14.** Review & Sign of Town Warrants 23, 23A and Payroll Warrant 23
- ITEM 15.** Executive Session if necessary
- ITEM 16.** Adjournment

Joseph Friedman
1 Veazie Villas
852-0933

Jonathan Parker
1149 Buck Hill Dr.
947-4740

Brian Perkins
1116 Chase Rd.
942-2609

Tammy Olson
5 Prouty Drive
947-9624

David King
1081 Main Street
942-2376

Agenda Items For May 7, 2012

Workshop: We will be having a budget workshop at 6PM. Please bring your budget workbooks.

Item 7. You will be holding a public hearing regarding the budget.

Item 8. If you wish you may approve the budget or if you wish to amend it as presented.

Item 9. John Holden has requested to meet with you to update you on the TIF amendment.

Item 10. You will sign the Town Meeting warrant a copy is in your packet for you to review.

Manager's Report

For May 7, 2012

Since the last council meeting, I have been recertified to do motor vehicle registrations by the Bureau of Motor Vehicle. Over the past few months cross training has been implemented so that all positions can be covered. For example, Amanda will be doing payroll and voter registration and I will be doing general assistance and motor vehicle registrations. As a side note, I will only see general assistance applicants by appointment only.

The Town is now licensed by Maine DEP to accept universal waste and three of us have received training. I will be meeting later this month with universal waste recyclers to get cost estimates for you to consider. Once I get those figures I will present a proposal to you regarding the collection of TV's, computers, CRT's, electronic waste, fluorescent lights, batteries, mercury thermostats, and anything with a cord.

On another matter with the DEP, our current composting site is not licensed by the DEP. I am working to get that site licensed. However there is a process and an expense to getting the site licensed. For example a Maine certified soil scientist is to look over the proposed site, a pad is to be used on the site, controlled access to the site, and only accept items approved by Maine DEP. I will keep you informed as I move through the process.

The Maine Department of Labor was in this past week to do an inspection of all town facilities. It is my understanding that we did well but have a few items that need to be fixed. For example, there is an electrical box at the community center that has a counter in front of it. I will provide you with more details once I have looked over the full report.

On the community center energy efficiency improvements grant that was submitted for reimbursement, we have not seen any funds. I have left several voice messages for my contacts at Efficiency Maine. As of this writing I have not heard back.

We will be doing another spring collection on Sunday, May 20th and Monday, May 21st. This will be just like last year. This is in the newsletter that will be mailed shortly. The large roll off that we have out back is costing the town approximately \$6,000 a year. Is this something we wish to continue?

At the last council meeting I made a presentation regarding the Board of Appeals and why we should have separate committees for each. Does the Council wish for me to draft a change to the town charter creating a new committee and procedure?

PRESENT: Chairman Friedman, Councilor Perkins, Councilor Olson, Councilor Parker, Town Manager J. Hayes, Deputy Clerk K. Morin, Police Chief M. Leonard, Recreation Director R. Young, Fire Chief G. Martin, Public Works Director B. Stoyell, Members of the Public.

ITEM 1. The April 23, 2012 Veazie Town Council meeting was called to order at 7:00PM.

ITEM 2. Roll Call

Councilor Olson, Chairman Friedman, Councilor Perkins and Councilor Parker were all present. Councilor King was absent and excused.

ITEM 3. Pledge of Allegiance

ITEM 4. Consideration of the Agenda

Manager Hayes outlined that Code Enforcement Officer John Larson was present to discuss some issues with the Council. This was added as item 7a.

Chairman Friedman stated that at the next meeting he would like just the budget on the agenda and no other items.

ITEM 5. Approval of the April 9, 2012 Council Meeting Minutes

Motion By: Councilor Perkins—to approve the April 9, 2012 meeting minutes as written. Seconded: Councilor Olson, Voted 4-0 in favor.

ITEM 6. Public Comments

There were no comments from the public.

ITEM 7. Request by Tax Assessor Ben Birch that the Town set up a Committee called the Veazie Board of Assessment Review

Manager Hayes outlined that Assessor Ben Birch in preparing for the revaluation discovered in the Town's charter that the Board of Assessment Review is also the Board of Appeals. He is recommending a separate board for the assessment review.

Manager Hayes also outlined that the charter delegates the responsibility of several items to the Board of Appeals, one being fair hearings for General Assistance. He stated that General Assistance is a confidential matter and he is not comfortable with the Board of Appeals doing it. Manager Hayes stated that from a practical point of view responsibilities should be re-delegated which means that the charter would have to be changed. He added that currently there are only two members on the Board of Appeals.

Councilor Perkins inquired on how many members Mr. Birch was looking for. Manager Hayes stated five. Councilor Perkins also inquired on who the current members were. Manager Hayes stated Travis Noyes and Robert Rice.

There was discussion on getting the Board of Appeals filled first. Manager Hayes stated that if there is an assessment review this September and the Board of Appeals is not filled the Penobscot County Commissioners would have to handle it.

It was decided to advertise for the openings and set a deadline.

ITEM 7a. Code Enforcement Officer

CEO John Larson outlined that he has received some complaints and wanted to get the Council's consensus on some of the issues. He outlined that there was a Main Street residence that could be considered a nuisance under State statute. Chairman Friedman outlined that the Town has talked to that person before to clean it up and it hasn't happened. CEO Larson outlined that they can be taken to court on it if it came to that.

There was discussion on the Town's fee schedule and that it was "way behind the times". He outlined that the Town charges 2/3 less than other municipalities. There was also discussion on the building codes. The only code allowed now is MOBEC. We have less than 4000 in population so the Town is not required to adopt it but people have to build by it. The Town's current building code ordinance calls for BOCA. If the Town does adopt MOBEC there is already a fee schedule set in the code.

CEO Larson stated that he was not qualified in his opinion to be the electrical inspector. He suggested hiring a master electrician to be inspector and pay them through the fees.

ITEM 8. Authorize the Town Manager or his Designee to Sign an Agreement with Skye Washington to Provide Zumba Classes Under the Town of Veazie Recreation Department

Chairman Friedman inquired whether Ms. Washington had provided proof of insurance. Manager Hayes stated that she had. Councilor Perkins inquired on who was collecting the money. Recreation Director Rob Young stated that he was.

Councilor Perkins inquired on how many people participate. Recreation Director Rob Young stated that classes average around 18-23 people. He has seen as low as 12 and as many as 28.

It was outlined that the school has top priority on using the gym, then the recreation department followed by Zumba.

Motion By: Councilor Perkins—to authorize the Town Manager to sign an agreement with Skye Washington to provide Zumba classes under the Town of Veazie Recreation Department. Seconded: Councilor Olson, Voted 4-0 in favor.

ITEM 9. Presentation and Recommendations of the Municipal Budget by the Budget Committee

Budget Committee member John Manter provided a list of recommendations to the Town Council. The Town Council thanked the Budget Committee for all of their

hard work. Chairman Friedman outlined that he needed time to digest and look over the budget.

ITEM 9a. Set Public Hearing for Budget

It was outlined that the public hearing for the budget is typically held on the first Council meeting in May. This allows the budget and Town Warrant to be printed in the annual report. It was decided to hold a special budget workshop on Monday, April 30th at 6:00pm so that the public hearing could take place on May 7th.

ITEM 10. Appointments to the RSU Withdrawal Committee

There were two residents who had applied for the committee. Janine Raquet outlined that she has lived in Veazie for five years and has a son that attends the Veazie Community School. She outlined that she has no real position on whether the RSU is a good idea or bad idea but feels its an important issue and is happy to help out. James Killarney outlined that he was interested in serving on the committee because he has two kids in school. As a resident and tax payer who doesn't know the outcome it is an important issue to he and his family. He outlined that he has never been part of a town this small and feels it is important to be civically engaged. He is currently on the Conservation Commission and he would now like to be part of this.

Councilor Perkins outlined that he knew both applicants personally and thanked both of them for volunteering. He wished they could appoint both.

Member of the public Cathy Brooks inquired why the Council couldn't appoint both. Councilor Parker outlined that the State statute only calls for a four member committee.

Motion By: Councilor Perkins—to nominate Janine Raquet to serve as the member of the public on the RSU Withdrawal Committee. Seconded: Councilor Olson. Voted 3-1 in favor. Councilor Parker was opposed.

Motion By: Councilor Perkins—to nominate Councilor Olson for the municipal officers position on the RSU Withdrawal Committee. Seconded: Chairman Friedman. Councilor Parker outlined that he would be interested in serving on the committee as well. Voted 2-1 in favor. Councilor Parker was opposed and Councilor Olson abstained.

Robert Tomilson outlined that he had spearheaded the petitions and signature gathering. When the petition group met and polled the group he was selected to represent their group.

Motion By: Councilor Parker—to nominate Robert Tomilson to represent the petitioners committee on the RSU Withdrawal Committee. Seconded: Councilor Perkins, Voted 4-0 in favor.

ITEM 11. Manager's Report

Manager Hayes went over his manager's report.

ITEM 12. Comments from the Public

There were no comments from the public.

ITEM 13. Requests for Information and Town Council Comments

There were no requests for information or Town Council comments

ITEM 14. Review and sign off Town Warrant 22 and Payroll 22**ITEM 15. Authorize the Transfer of \$1420 from CBE TIF and TIF Agency Fund for RM Davis for Fund Management Fees for the Period April 1 to September 30, 2012**

Motion By: Councilor Perkins—to authorize the transfer of \$1,420 from the CBE TIF and TIF Agency Fund for RM Davis for fund management fees for the period of April 1st, 2012 to September 2012. Seconded: Councilor Parker, Voted 4-0 in favor.

ITEM 16. Executive Session Pursuant to 1 MRSA 405 (6) D – Discussion of Labor Contracts – Fire Department

Motion By: Councilor Perkins—to enter into an executive session pursuant to 1 MRSA 405 (6) D – discussion of labor contracts. Seconded: Councilor Olson, Voted 4-0 in favor.

Motion By: Councilor Perkins—to close the executive session. Seconded: Councilor Perkins, Voted 4-0 in favor.

ITEM 17. Act on the Proposed Fire Department Contract

Motion By: Councilor Olson—to table this item. Seconded: Councilor Parker, Voted 4-0 in favor.

ITEM 18. Adjournment

Motion By: Councilor Olson—to adjourn the April 23, 2012 Town Council Meeting. Seconded: Councilor Perkins. There was no further discussion. Voted 4-0 in favor. Meeting adjourned 8:24pm.

A true record, Attest:

Karen Morin

*Karen Morin
Deputy Clerk
Town of Veazie*

Town of Veazie, Maine

Second Amendment to and Restatement of

Casco Bay Energy Company, LLC

Municipal Development and Tax Increment Financing Development Program

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Part I. Development Program Narrative

This second Amendment to the Town of Veazie, Casco Bay Energy, LLC Tax Increment Financing (TIF) Development Program is made necessary and sought by the Town for a number of reasons:

- A. The Company (Casco Bay Energy, LLC) has since been purchased by Dynegy Energy. Dynegy Energy (Company) has continued to meet the requirements of the TIF and associated Credit Enhancement Agreement (CEA) it assumed from Casco Bay Energy. Furthermore the Company is in full support of this Amendment, as presented.
- B. The Town wishes to revise and amend its Municipal Development Program to make use of allowable activities under Statute and to extend the term of the TIF to its maximum allowable term of 30 years.
- C. Further, the Town and Company wish to clarify and simplify the terms of the CEA.

This second Amendment follows the headings and outline of the original TIF as passed March 16, 1998 (approved by DECD, March 27). The first Amendment to that TIF was passed on October 26, 1998 to remove 10 acres of land from the Original District. All sections herein update and amend previous sections and do not necessarily replace them, unless otherwise noted.

A. Introduction

Dynegy Energy (Casco Bay Energy Facility) has continued to produce electricity from natural gas since acquiring the assets from Duke Energy. Natural gas is expected to continue to play an important role in the energy future for Maine and the US.

B. General Description

The Company acquired the assets of Duke Energy and, at the time of acquisition, Casco Bay Energy had completed all the improvements and investments contemplated at the time of the execution of the TIF and associated CEA.

Shortly after enacting the TIF, the Town enacted an Amendment to the original TIF on October 26, 1998. That amendment was enacted as the Town chose to remove 10 acres of land from the District that it had considered for development.

This second Amendment is contemplated for the reasons summarized above and, more specifically, so the Town may take advantage of other allowable activities under its Municipal Development Program that have since been contemplated. Those specific municipal improvements are detailed in Section E. Description of Town Improvements, page 2.

This Amended Development Program is proposed for the purpose of administering the area outlined in Exhibit 1 as a Municipal Development and Tax Increment Financing District (the District) pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended. Upon vote of the Town's legislative body designating the District and adopting this Development Program, designation of the District and adoptions of the Development Program will immediately become final, subject only to approval by the Maine Department of Economic and Community Development (DECD).

This Amendment will allow the Town to use a portion of the taxes generated as part of the original and amended District to finance the Town Improvements, as described in Part I.E. below, and to continue participation with the Company under the agreed upon CEA, as also amended.

C. Employment

Need to confirm past, current employment.

D. Statement of Means and Objectives

The Means and Objectives of this Amendment remain the same as stated in the original TIF.

E. Description of Town Improvements

The Town wishes to amend and update the activities it has undertaken or contemplates undertaking. Table 1 outlines the Town Improvement Projects it has undertaken and may undertake as part of this Amended TIF Development Program.

The original TIF District, as defined in Original Exhibit 1, was defined as 51.5 acres. The First Amendment to the District removed 10.0 acres. In this Amendment, the District is enlarged by XX.X acres and includes the Original, as amended 41.5, acres to create a District of XX.X acres. The revised and amended original assessed value of the new acres added to the District is summarized and documented in Part II, Section A, Page 4.

Exhibit 1 of this Amendment outlines the Original, amended TIF District and proposed, newly amended, TIF District.

The Town has used the TIF funds in its Municipal Development Fund to pay for costs to upgrade the Town's fire fighting apparatus to serve the needs of the District. Additionally, Municipal TIF funds were used for the (pro-rated) purchase of municipal equipment for improvements in the District, as well as public safety equipment used in the District and made necessary by activity in the District.

As part of this Amendment, the Town is adding parcels identified in Table 1 to the District, for the purposes summarized below and outlined in Table 2.

Table 1. TIF District Parcels, Acreage and Original Assessed Values

Parcel Name	Map #	Lot #	Acres	OAV*
<i>Original, as Amended TIF District</i>				
Dynegy Energy				
<i>Amended (as per this Amendment) TIF District to include the above and the following</i>				
Community Center				
Veazie Dam Pump House				
Other.....				

*Original Assessed Value (for those added as per this Amendment, value as of 04/01/2012)

This District is hereby amended to include Town owned property that includes the Veazie Community Center. The Community Center is used as a building to lease space to commercial companies that serve community needs. The Center is in need of repair and improvements and currently is home to two

commercial enterprises. One goal of this Amendment is to make improvements to the Center that allow for additional commercial enterprise leases, thereby creating jobs and generating income in the community.

The District is also hereby amended to include ... Pump House

The District is also hereby amended to include the local public right-of-way along ... gas line?

Other...

The above mentioned properties and projects constitute the Municipal Development Plan as updated by this Amendment. The projects summarized above are outlined in Table 2, including an estimated budget for each project. It is understood that the budget for each project is an estimated project cost and that actual project costs will be identified as the TIF is administered and may likely vary from the budgeted amount in Table 2. The budgeted value in Table 2 is provided to demonstrate the need for the Municipal Development Plan funds, and it is understood that the Town may approve expenditures from its municipal sub-account annually for any amount for the below listed projects during the term of the TIF Development Program.

Table 2 – Municipal Development Plan

<u>Project</u>	<u>Eligibility Under Title 30-A</u>	<u>Estimated Cost*</u>
MUNICIPAL INVESTMENTS WITHIN THE PROPOSED TIF DISTRICT		
1. Acquisition and replacement of fire station equipment (50% cost prorate for District use)	§5225(1)(A)	
2. Purchase and replace public works equipment (50% cost prorate for District use)	§5225(1)(A)(1)(a-d)	
3. Professional service costs, including, but not limited to, licensing, architectural, planning, engineering, and legal expenses for the development of the projects in the District.	§5225(1)(A)(4)	
4. Capital costs for the... gas line		
5. Administrative costs, including, but not limited to, reasonable charges for the time spent by municipal employees in connection with the implementation of this development program	§5225(1)(A)(5)	
6. Organizational costs relating to the establishment and amendment of the district	§5225(1)(A)(7)	
MUNICIPAL INVESTMENTS OUTSIDE THE DISTRICT BUT DIRECTLY RELATED TO OR THAT ARE MADE NECESSARY BY THE ESTABLISHMENT OR AMENDMENT OR OPERATION OF THE DISTRICT		
7.	§5225(1)(B)	
COMMUNITY-WIDE MUNICIPAL INVESTMENTS		
8. Costs of funding economic development programs or events developed by the municipality or funding the marketing of the municipality as a business or arts location.	§5225(1)(C)(1)	
9. Cost of services to provide skills development and training to residents of the municipality. These costs may not exceed 20% of the total project costs and must be for the provision of training to the resident.	§5225(1)(C)(4)	

<u>Project</u>	<u>Eligibility Under Title 30-A</u>	<u>Estimated Cost*</u>
10. Costs of funding economic development program including the planning and implementation of TIF projects here within	\$5225(1)(C)(1)	
11. Costs relating to planning, design, construction, maintenance, grooming and improvements to new or existing recreational trails determined by the department to have significant potential to promote economic development, including bridges that are part of the trail corridor, used all or in part for all-terrain vehicles, snowmobiles, hiking, bicycling, cross-country skiing or other related multiple uses	\$5225(1)(C)(6)	
TOTAL		

* Total estimated cost over the term of the TIF, as amended herein.

The above Table 2 hereby replaces the Table 2 within the original TIF Program, as previously amended.

F. Operational Components

Sub-parts a through d as passed in the original TIF are not changed as part of this Amendment and thus referenced from such as part of this Amendment.

e. Duration of the Program

The Original TIF Development Program, as previously amended, was approved by DECD and took effect during tax year 1999-2000 and was established for 20 years, set to expire in year 2019-2020. As part of this Amendment, the Town wishes to extend the duration of the District, as amended, to the maximum duration allowed of 30 years from the inception of the Program. The duration of this TIF Program shall therefore be until the tax year 2029-2030.

Part II. Financial Plan

The financial plan as documented in the original TIF Program, as previously amended, is adopted as part of this Amendment with no change. It is understood that any increase in assessed value of the District, as amended, due to improvements in the District other than those made by Dynegy Energy will not be retained.

* Try want to change the above to capture new value of commercial properties added to District (e.g., or Pump House (if sold to private developer))

If no change to above, then parts A-C remain unchanged.

A. Financing Plan

The percentage of captured assessed value to be retained in the District in each year during the term of the District, as previously amended, shall be calculated as follows. This represents a change to the formula established in the original TIF, as previously amended.

Update, revise?

During the term of this TIF Development Program, as amended, beginning after the conclusion of the Credit Enhancement Agreement with the Company, the Town shall capture XX% of the new assessed value in the District. In the last four years of the District, as amended, the Town shall capture 20% less per year until the final year (year 30) of the TIF.

See Exhibit X for a revised Financial Plan TIF Projections Table.

B. Financial and Statistical Data

This Section E shall replace Section E from the Original TIF Program, as previously amended, other than that information referring to the Developer's project costs.

The Original Assessed Value (OAV) of the District as of April 1, 1997 was \$70,250,000.

The Original Assessed Value (OAV) of the District, as per this Amendment, as of April 1 2012 was \$XX,XXX,XXX.

The OAV of the District, as per this Amendment includes the properties listed in Table 1.

Additional statistical data is included in the Statutory Requirements and Thresholds Table provided in Exhibit 2.

Part III. Physical Description of the District

The District is being amended to include additional municipal property that is eligible to make use of the municipal TIF funds generated under the Program. The District will now include the Community Center, a municipally owned structure leased to commercial tenants, located on X.X acres of land. The District will also now include More....

Additional data on the physical description of the District, as hereby amended, is included in the Statutory Requirements and Thresholds Table provided in Exhibit 2.

Part IV. Municipal Approvals

Other as per our recent submissions

TOWN WARRANT

Penobscot, s.s.

To: Mark Leonard, Chief of Police for the Town of
Veazie, in said County of Penobscot.

GREETINGS:

In the name of the State of Maine, you are hereby required to notify and warn the voters of the Town of Veazie, in said County, qualified by law to vote in Town affairs, to assemble at the Municipal Building, in said Town, on Tuesday, the 12th day of June, A.D., 2012 at 8:00 in the forenoon, then and there to act on the following twelve articles:

Article 1: To choose a Moderator to preside at said meeting.

Article 2: To choose all necessary officers for the ensuing year. It is hereby specified that the polls be open from 8:00 a.m. to 8:00 p.m. for the election of the aforementioned officer, and that consideration of articles three to twelve will commence at 8:00 p.m. at the Veazie Community School.

Article 3: To see what sum the Town will vote to raise and/or appropriate for the General Government.

Recommended by the Town Council & Budget Committee: **\$ 400,296.83**

Article 4: To see what sum the Town will vote to raise and/or appropriate for Public Works.

Recommended by the Town Council & Budget Committee: **\$ 193,410.77**

Article 5: To see what sum the Town will vote to raise and/or appropriate for Fixed Cost Items:

Recommended by the Town Council & Budget Committee: **\$ 413,949.18**

Article 6: To see what sum the Town will vote to raise and/or appropriate for the Fire Department.

Recommended by the Town Council & Budget Committee: **\$ 235,354.00**

Article 7: To see what sum the Town will vote to raise and/or appropriate for the Police Department.

Recommended by the Town Council & Budget Committee: **\$ 349,552.76**

Article 8: To see what sum the Town will vote to raise and/or appropriate for the Parks and Recreation Department.

Recommended by the Town Council & Budget Committee: **\$ 90,918.00**

Article 9: To see what sum the Town will vote to raise, transfer, and/or appropriate for the Capital Improvements and Reserve Account Program for the Fiscal Year 2012-2013.

Recommended by the Town Council & Budget Committee: **\$ 275,750.00**

Article 10: To see if the Town will vote to fix a date when taxes are due and to set an interest rate, the amount not to be compounded, on all real estate and personal property taxes not paid on or prior to September 30th. Interest will commence on October 1st on all taxes not paid on or prior to September 30th.

Due Date suggested: **Upon receipt of tax bill**

Interest rate suggested: **7.0%**

Article 11: To see if the Town will vote to finance the voted expenditures as follows:

TAX COLLECTOR'S REVENUE

Total Tax Collector's Revenue: \$ 311,500.00

TREASURER'S REVENUE

Total Treasurer's Revenue..... \$ 340,625.50

TOWN CLERK'S REVENUE

Total Town Clerk's Revenue..... \$ 2,600.00

Recommended non-property tax revenues by the Town Council & Budget Committee:
\$654,725.50, \$75,000.00 from the Municipal Credit Reserve and the balance remaining from property taxes.

Article 12: To see if the Town will vote to establish the interest rate to be paid to a taxpayer who is determined to have paid an amount of real estate taxes in excess of the amount finally assessed for 2012-2013 at **3.0%** per year on the amount of overpayment.

The Office of the Registrar of Voters will be open at the Municipal Building on Tuesday, June 12, 2012 to add new registrations to the list of voters from eight o'clock in the forenoon until 8:00 PM.

Given under our hands this 7th day of May, A.D., 2012.

JOSEPH FRIEDMAN, Chair

BRIAN PERKINS

TAMMY OLSON

JONATHAN PARKER

DAVID KING

Veazie Town Council

ATTEST:

Mark Leonard, Chief of Police

**Final Withdrawal Agreement
Between
RSU 59 and The Town of Starks Withdrawal Committee**

This Agreement dated as of November 30th, 2011, by and between RSU 59, a Maine regional school unit comprised of the municipalities of Athens, Brighton Plantation, Madison, and Starks (hereinafter "RSU 59" or the "District") and the Town of Starks Withdrawal Committee, a duly appointed municipal withdrawal committee for the Town of Starks (hereinafter "Starks" or the "Town") organized in accordance with 20-A MRS §1466(4)(A).

1. **Purposes.** The purposes of this Agreement are:
 - 1) To provide for the timely and orderly withdrawal of Starks from RSU 59;
 - 2) To provide educational continuity for those students residing in Starks who wish to continue their education with RSU 59; and
 - 3) To allocate RSU 59's financial and contractual obligations, and its assets, between RSU 59 and the new school administrative unit that includes, or is comprised of, Starks (hereinafter the "New Starks SAU"), as of the effective date of Starks' withdrawal in a manner that fairly takes into account the continuing educational needs of students, the continuity of educational programs and the goal of avoiding sudden or excessive increases in property taxes. For purposes of this Agreement the term "New Starks SAU" includes any school administrative unit that is comprised solely of Starks or that includes Starks as a member during the term of this Agreement. By way of example, if Starks becomes a municipal school unit the term "New Starks SAU" would encompass the Starks municipal school unit, and if Starks were to join RSU 9, the term "New Starks SAU" would include the reconstituted RSU 9 with Starks as a member.
2. **Withdrawal.** Pursuant to 20-A MRS §1466, the Town shall withdraw from RSU 59 in accordance with the terms of this Agreement as of June 30, 2012, and thereafter shall no longer be a member of the RSU 59 school administrative unit. As of July 1, 2012, the Town shall either become a member of RSU 9 or, alternatively, shall become a separate municipal school administrative unit comprised solely of Starks.
3. **Right to Continued Enrollment.** During the first year after withdrawal (i.e. from July 1, 2012 to June 30, 2013) students residing in Starks may attend the RSU 59 school they would have attended if Starks had not withdrawn from the District. The Superintendent of the District and the Superintendent of the New Starks SAU (hereinafter the "Superintendents") shall confer with each other and shall develop a list of those K-12 students residing in Starks who have enrolled in RSU 59 schools. On or before November 15, 2012, the Superintendents shall jointly certify to the Town Clerk of Starks an initial list of those students who reside in Starks who have enrolled in the District's schools for the 2012-2013 school year. During the 2012-2013 school year, additional students residing in Starks may enroll in the District's schools in accordance with 20-A MRS §1466(4)(A)(1). On or before June 30, 2013, the Superintendents shall confer with each other again and shall jointly certify to the Town Clerk of Starks a final list of those students residing in Starks who were enrolled

in the District's schools at the end of the 2012-2013 school year (hereinafter the "Final List" consisting of "RSU 59 Enrolled Students").

4. **Continuity of Educational Program.** Students enrolled in the District's schools at the end of the 2012-2013 school year as shown on the Final List shall have the right to continue their education at District schools until such time as they have graduated from high school, unless that right is sooner terminated under the terms of this Agreement. A student's right to continue to be educated at District schools shall terminate if the student discontinues his or her enrollment at a District school for a continuous period of 90 calendar days between September 1 and June 15 of any school year, whether by enrolling in another school administrative unit or private school, dropping out, or being expelled and not readmitted within 90 days. Notwithstanding the foregoing, a student's failure to attend a District school for a continuous period of 90 days due to health reasons, out-of-district special education placement, or travel or study abroad, shall not terminate a student's right to continue to attend District schools under this Agreement.
5. **State Allocation and Tuition.** In consideration of the release by the Town of Starks of its share of the undesignated fund balance at the end of FY 2011-2012, and notwithstanding the provisions of 20-A MRS §1466(4)(A)(1), the New Starks SAU shall not be required to pay tuition for students residing in Starks who are enrolled in District schools under paragraph 3 of this Agreement (hereinafter the "RSU 59 Enrolled Students") during the 2012-2013 school year and thereafter, but rather the District shall receive from the Maine Department of Education the State allocation for the RSU 59 Enrolled Students as calculated under 20-A MRS Chapter 606-B and any additional State allocations for transportation and special education to be paid to the District under this Agreement.
6. **Special Education.** RSU 59 shall provide all special education services to RSU 59 Enrolled Students from Starks required by the IEP prepared by each student's IEP Team to the extent RSU 59 has an appropriate program to meet the terms of the IEP and applicable requirements of Maine law and regulations. Except for short term programming changes of not more than 10 school days, decisions about whether RSU 59 has an appropriate program or placement for a student pursuant to the requirements of the IEP shall be made by RSU 59 after a careful review of the IEP for the student and consultation with the New Starks SAU's Director and/or Assistant Director of Special Services. In no event shall RSU 59 refuse to provide needed special education services as provided in the IEP, except for student removals of not more than 10 school days or when RSU 59 has determined, after consultation with the New Starks SAU's Director and/or Assistant Director of Special Services, that RSU 59 does not have an appropriate program or placement for that student.

The New Starks SAU's Director and/or Assistant Director of Special Services shall represent the New Starks SAU for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for RSU 59 Enrolled Students. In the event the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, the New Starks SAU's representative at that Team meeting shall make the decisions on those issues, subject to the parent's due process rights in relation thereto. RSU 59 personnel will work cooperatively with the New Starks SAU's Director and/or Assistant

Director of Special Services and other staff, and, upon request will provide the Director and/or Assistant Director of Special Services with all information regarding classroom observations, student performance, academic achievement testing and functional behavior assessment components of the student evaluation process.

The New Starks SAU's Director and/or Assistant Director of Special Services may provide input to RSU 59's special education coordinator (or other administrative designee) on the proper implementation of RSU 59 Enrolled Student IEPs, or perceived deficiencies in IEP implementation. RSU 59 shall consider that input seriously and in good faith and RSU 59 shall respond in an appropriate manner consistent with the terms of this Agreement.

In accordance with Chapter 101 of the Rules of the Maine Department of Education, Maine Unified Special Education Regulation, Section IV(4)(A) and (B), the New Starks SAU shall be responsible for the costs of special education for the RSU 59 Enrolled Students during the 2012-2013 school year and thereafter. The New Starks SAU shall reimburse RSU 59 for the special education costs of any RSU 59 Enrolled Student who qualifies as a high cost in-district or high cost out-of-district placement, including special education transportation costs and costs for facilities modifications required to accommodate the student, to the extent such costs exceed the sum of the per pupil base rate for special education students in grades K-12 as calculated by the Maine Department of Education pursuant to 20-A MRS §15681-A(2) and any additional allocation that may be provided to RSU 59 by the Maine Department of Education for that student. The District shall bill the New Starks SAU for such excess special education costs during the fiscal year in which those excess special education costs are incurred.

7. **Transportation.** The District shall provide transportation to and from a single location in Starks to the RSU 59 Enrolled Students pursuant to this Agreement during the 2012-2013 school year. That location may be at no greater distance from the Starks/Anson town line than the Starks Community Center. Once the route to and from the single location in Starks has been determined, the District may, at its discretion, pick up and drop off students who reside along that route. Otherwise, the RSU 59 Enrolled Students shall be picked up and dropped off at the single location in Starks. The New Starks SAU shall not be responsible for the costs of such transportation to the extent those costs exceed the K-12 per pupil transportation allocation provided to the District by the State for that year.

After the 2012-2013 school year, the District may, in its discretion, provide transportation to and from a single location in Starks to the RSU 59 Enrolled Students. In the event the District determines it is not feasible to provide transportation to the RSU 59 Enrolled Students in any school year after the 2012-2013 school year, neither the District nor the New Starks SAU will have an obligation to provide transportation between Starks and RSU 59 to RSU 59 Enrolled Students.

8. **Need for School Construction.** There are approximately 70 students in grades K – 12 who reside in Starks. In 2010, the RSU 59 School Board voted to close Starks Elementary School on the grounds that the school was unnecessary and unprofitable to maintain. The Town of Starks voted not to keep the school open at the Town's expense. The Starks Withdrawal

Committee does not anticipate the reopening of that school or recommend that any new school construction be undertaken to serve the students residing in Starks. The preferred option of the Starks Withdrawal Committee is for Starks to join RSU 9 on the date the withdrawal from RSU 59 becomes effective. RSU 9 is now in the process of renovating the W. G. Mallett School in Farmington and is also engaged in a substantial renovation and expansion of the Mt. Blue High School/Forster Tech Center which will be complete in the fall of 2013. In addition, if Starks were to join RSU 9, elementary students residing in Starks could attend the Cape Cod Hill School in New Sharon. The withdrawal of students residing in Starks from RSU 59 will not create a need for new school construction in Starks, RSU 9 or RSU 59.

9. **Financial Commitments from Outstanding Bonds or Notes.** RSU 59 is indebted on bonds issued for the construction of Madison Elementary School in 2000. These include bonds for State-approved debt service and bonds for local-only debt service. Under 20-A MRS §1466(16) when a municipality withdraws from a regional school unit having outstanding indebtedness, the RSU remains intact for the purpose of retiring and securing that debt, but the withdrawal agreement may provide for an alternate means for retiring that outstanding indebtedness.
 - A. **State Approved Debt Service:** As an alternate means of retiring the existing State approved indebtedness for the Madison Elementary School under 20-A MRS §1466(16), the Maine Department of Education will pay the portion of the debt service allocation for the existing State-approved debt service for the Madison Elementary School which is allocable to Starks each year directly to the Maine Municipal Bond Bank to retire Starks' allocable portion of the principal and interest of that State-approved indebtedness. If, in any year, the Maine Department of Education fails to pay in full Starks' allocable share of the District's existing State approved debt service for the Madison Elementary School under this paragraph, the Town of Starks shall remain a part of the District for purposes of securing and retiring that outstanding indebtedness as provided by 20-A MRS §1466(16).
 - B. **Local-Only Debt Service:** The principal and interest payments due on bonds for local-only debt service from July 1, 2012 through November, 2021 will total \$311,782.57. In FY 2011-2012, the percentage of locally raised funds for RSU 59 to be assessed against taxable property located in Starks is 5.73%. As an alternate means of retiring the existing local-only debt service for the Madison Elementary School under 20-A M.R.S. §1466(16), Starks will make a lump sum payment to the District of \$17,865 (5.73% of \$311,782.57) on or before July 15, 2012. In consideration of this payment, the District shall release, indemnify and hold Starks harmless from any further liability relating to this local-only debt service.
10. **Financial Commitments for Bonds or Notes Issued During FY 2011-2012.** During FY 2011-2012 the District may issue bonds or notes or enter into lease purchase financing arrangements to upgrade facilities at the District's schools. If Starks withdraws from the District as of June 30, 2012, under 20-A MRS §1466(16) the RSU will remain intact for purposes of retiring and securing that indebtedness. Since Starks will not receive significant

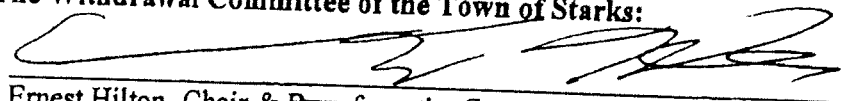
benefit from the improvements financed by such debt, as an alternate means for retiring this indebtedness under 20-A MRS §1466(16), RSU 59 hereby agrees to retire such debt by assessing the taxable property in the remaining towns in the District and further agrees not to assess taxable property located in Starks for that purpose.

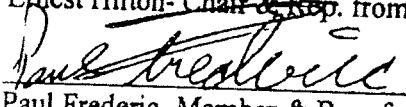
11. **Distribution of Financial Commitment to Superintendent.** RSU 59 has signed a two year contract with the Superintendent of Schools of the District for a term that runs from July 1, 2011 through June 30, 2013. For the year of the contract following the June 30, 2012 withdrawal date, the District's total financial obligation under his contract is estimated to be \$99,000 in salary plus \$14,431.64 in benefits and costs, totaling \$114,431.64. 5.73% of this amount is \$6,556.93. Accordingly, on or before July 15, 2012, Starks will make a lump sum payment to the District of that amount plus its proportionate share of any cost-of-living increase provided by the Board up to a maximum total payment of \$7,000.
12. **Collective Bargaining Agreements.** The withdrawal of Starks from RSU 59 will not directly affect any of the District's collective bargaining agreements.
13. **Continuing Contract Rights under Section 13201.** The withdrawal of Starks from RSU 59 will not affect the continuing contract rights of teachers or other employees subject to collective bargaining agreements.
14. **Disposition of Real and Personal Property.** The RSU 59 School Board voted to close Starks Elementary School in 2010 and Starks voted not to keep the school open at Town expense. RSU 59 removed any personal property of continuing use to the District and then conveyed the school and its site back to the Town. Accordingly, there are no outstanding issues of personal or real property as between the District and Starks resulting from the withdrawal of Starks from the District.
15. **Transition of Administration and Governance.** The Town has been in communication with RSU 9 (Mt. Blue) regarding the possible addition of Starks to RSU 9. It is the intent of the Starks Withdrawal Committee that a vote to approve this Withdrawal Agreement take place in the fall of 2011, that voting on approval of a Reorganization Agreement with RSU 9 take place in mid-winter of 2011/2012, and that Starks be reorganized into RSU 9 as of July 1, 2012. If the addition of Starks to RSU 9 is approved by the Commissioner of Education and the voters of RSU 9 and Starks, the administration and governance of education for students residing in Starks, other than RSU 59 Enrolled Students, will be transferred directly from RSU 59 to RSU 9 as of July 1, 2012. If Starks does not join RSU 9 as of July 1, 2012, the Town will then become a municipal school administrative unit, and the administration and governance of education for students residing in Starks, other than RSU 59 Enrolled Students, will be transferred accordingly. The Withdrawal Committee believes there is only a remote possibility the withdrawal of Starks from RSU 59 will result in the formation of a new municipal school administrative unit comprised solely of Starks.
16. **Superintendents' Agreements; Duration of List.** Nothing in this Withdrawal Agreement shall limit the availability or use of Superintendents' Agreements with respect to any student who is not an Enrolled Student under this Agreement.

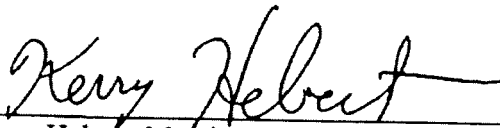
17. **Dispute Resolution.** Any dispute between Starks, the New Starks SAU and RSU 59 (hereinafter individually a "Party" or collectively, the "Parties") arising out of or relating to this Agreement shall be resolved in accordance with this paragraph. Any Party may give written notice of a dispute arising out of or related to this Agreement to another Party or Parties in person or by certified mail, return receipt requested. The Parties to the dispute (hereinafter the "Affected Parties") shall attempt to resolve the matter through informal communication or negotiation for a period of thirty (30) days from the date of receipt of notice by the last Party to receive notice. If the dispute has not been resolved within thirty (30) days, any Party may serve written notice on the other Affected Parties of a request for mediation. The mediation shall be conducted in Maine by a mediator mutually agreeable to the Affected Parties, shall not exceed one full day or two half days in length, and shall be completed within ninety (90) days from the date of receipt of notice of a request for mediation by the last Affected Party to receive notice. If the Affected Parties are unable to agree on a mediator within thirty (30) days, or to resolve the dispute through mediation within 90 days, the dispute shall be submitted to arbitration in accordance with the procedures of the Maine Uniform Arbitration Act, 14 M.R.S.A. §5927 et seq.
18. **Applicability to Successor School Administrative Units.** Upon approval by the Maine Commissioner of Education and approval by a two-thirds majority vote of the Town of Starks, this Agreement shall be binding upon the Town of Starks, the New Starks SAU, and any successor school administrative units, and on RSU 59 and its successor school administrative units. Accordingly, the terms of this Agreement shall be incorporated by reference into any Reorganization Plan to which Starks, the New Starks SAU, or RSU 59, or their respective successor school administrative units, is or becomes a party.
19. **Termination.** This Agreement shall terminate upon the termination of the right to attend District schools under this Agreement of all of the students included on the Final List.
20. **State and Local Approval.** This Agreement is subject to approval by the Maine Commissioner of Education as required by 20-A MRS §1466(4)(B) and approval by a two-thirds vote at a referendum conducted in Starks as required by 20-A MRS §1466(9). By approval of this Withdrawal Agreement, the Maine Commissioner of Education agrees on behalf of the Maine Department of Education that the Essential Programs and Services allocations under 20-A MRS Chapter 606-B for RSU 59 Enrolled Students shall be assigned to RSU 59 in accordance with the terms of this Agreement.

Signed at Madison, this 30th day of November, 2011.

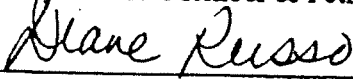
The Withdrawal Committee of the Town of Starks:


Ernest Hilton- Chair & Rep. from the General Public


Paul Frederic- Member & Rep. from Municipal Officers (Selectperson)



Kerry Hebert- Member & Petitioner



Diane Russo- Member & Rep. from MSAD 59/RSU 59 School Board

Signed at Madison, this 30th day of November, 2011.

RSU/SAD 59

By:



Troy Emery- Chair of the RSU No. 59 School Board
Duly Authorized

Signed at Augusta, this December 2, 2011

Approved as a Final Withdrawal Agreement under Title 20-A MRS §1466(5)



Stephen L. Bowen
Maine Commissioner of Education

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April 27, 2012

Michael Crooker, Town Manager
Town of Glenburn
144 Lakeview Road
Glenburn, ME 04401

Joseph Hayes, Town Manager
Town of Veazie
1084 Main Street
Veazie, ME 04401

Sophie Wilson, Town Manager
Town of Orono
P.O. Box 130
Orono, ME 04473


Re: RSU #26

Dear Mike, Joe and Sophie:

I just discovered that there was an error in the letter I sent to you yesterday, in which I referred to Scott Davis on the second page as Bar Council, instead of Bar Counsel. Please find enclosed a corrected second page. I would appreciate it if you would swap out the second page before it is disseminated to anyone. Thank you for your cooperation, and I apologize for my oversight in not catching the error before the letter was mailed to you.

Very truly yours,

FARRELL, ROSENBLATT & RUSSELL


Thomas A. Russell

TAR/hs

Michael Crooker, Town Manager
Joseph Hayes, Town Manager
Sophie Wilson, Town Manager
April 26, 2012
Page 2

1.7 provides that a "lawyer shall not represent a client if the representation involves a concurrent conflict-of-interest," which exists if:


- "(1) representation of one client would be directly adverse to another client, even if representation would not occur in the same manner or in substantially related matters; or
- (2) there is a significant risk that the representation of one or more clients would be materially limited by the lawyer's responsibility to another client..."

There is a distinct possibility that my provision of legal representation to any particular withdrawal committee or municipality could be directly adverse to the interests of my other two municipal clients. In addition, as expressed in the General Principles Comments to Rule 1.7, loyalty and independent judgment are essential elements in a lawyer's representation of a client. Therefore, I believe there is also significant risk, or at least the perception of a risk, that representation of any particular withdrawal committee or municipality in the withdrawal matter would be materially limited by my responsibilities to my other two municipal clients. The matter is further complicated by the fact that I am a resident of Veazie. Under these circumstances, I cannot provide legal representation to any particular withdrawal committee or municipality concerning the future of RSU #26. I have verified my analysis with J. Scott Davis, Esq., Bar Counsel to the Board of Overseers of the Bar. If any withdrawal agreement is approved by the Commissioner and the voters, I believe I may represent the municipality in the implementation of that agreement with RSU #26.

If you have any questions or comments, or you wish to discuss the matter, please feel free to contact me.

Very truly yours,

FARRELL, ROSENBLATT & RUSSELL


Thomas A. Russell

TAR/kab

Meeting of the Orono-Veazie Water District Trustees

Held at the District Office on April 3, 2012

Meeting #404 called to order at 7:00 p.m.

Present: Chairman Borneman, Trustee Fortier, Trustee Hall, Trustee McCormack
and Supt. Cross

Minutes of meeting #403 approved as written

- Item 1. A true list of water service assessments for March in the amount of \$ 78,412.62 was committed to Dennis Cross, Treasure by vote of Trustees.
- Item 2. Dennis updated the Trustees on the continued Penta Corporations situation.
- Item 3. Dennis updated the Trustees on the continued Weston & Sampson situation.
- Item 4. Trustees reviewed the Income & Expense Statement for March 2012.
- Item 5. Dennis reviewed with the Trustees possible options for refinancing the District Rural Development loan.
- Item 6. The meeting adjourned at 8:20p.m
- Item 7. The next meeting will be held at the District Office at 7:00 p.m. on May 1, 2012

Respectfully submitted,

John McCormack, Clerk