TOWN OF ARUNDEL, MAINE
WITHDRAWAL COMMITTEE MEETING

Tuesday, September 4, 2012
ML Day School Library
7:00 PM
Draft Minutes

Board: Jack Turcotte, Diane Robbins, Jon Renell, Tom Danylik

Public: Jack & Joyce Reetz, Velma Jones-Hayes, Dorothy Gregoire, Melanie Mitchell, Kandis Hayes, Susan Sinnott-Curran, Samantha Stephens, Charles Lawton

I. *Approval of Agenda*

Motion to approve agenda made by Diane Robbins, seconded by Jon Renell. Motion passed with all in favor.

II. *Approval of minutes of 8/24/12 meeting*

Motion to approve the minutes of 8/24/12 made by Diane Robbins, seconded by Tom Danylik. Motion passed with all in favor.

III. *Public Comment Period*

Jack Reetz commented that it is too soon for public comment and he would prefer to hear Mr. Lawton's presentation. Jack Turcotte agreed to entertain questions later in the meeting.

IV. *New Business:*

A. Meet with Charles Lawton of Planning Decisions Inc. for progress update

Jack Turcotte introduced Chuck Lawton of Planning Decisions, Inc. Mr. Lawton reviewed the report that was disseminated to the board.

Mr. Lawton explained that the task of Planning Decisions was to come up with two 10 year budget forecasts, one showing Arundel as a stand-alone school district and one where it remained part of RSU 21.

The two basic elements they looked at were the number of students and what is the cost to educate them.

Projected enrollment is determined by looking at the birth rates in Arundel and projecting the number of enrollments five years later. Generally the number enrolled exceeds the number born because of migration into the community.

A third element determining cost is the property value available to the students to pay for education and how does that property value in Arundel per student change compared to the property value per student in the other towns in the RSU as well as to the State of Maine as a whole.

The State determines how much money will be allocated per student to provide what they consider "Essential Programs & Services".

The higher the property value per student, the more you pay locally and conversely, the lower the value per student, the less you pay locally.

An additional factor in determining cost is the organizational element and what the municipality chooses to provide and if that involves an extra allocation over and above what the state determines to be the EPS amount.

Mr. Lawton reviewed the enrollment projections by grade in the presentation as well as the population changes from 2000-2010. The data shows that Arundel is looking at a relatively stable enrollment projection for the coming years.

State property valuations were reviewed and the data shows that for the 10 year period from 2000-2010 Arundel's value went from 168 million to 429 million, an increase of 155%. There was a vast difference in the valuation of Kennebunk and Kennebunkport for the same time period as compared to Arundel.

State valuation is important as it determines the allocation of individual costs to individual municipalities. If Arundel were to leave the RSU then it will just be Arundel's value that will be used to determine the taxable value per student.

The next element that enters into financial projections is the number of jobs and potential migration into Arundel. The overriding conclusion is that it is the overall economy and not the jobs in Arundel that will determine Arundel's destiny either alone or in the RSU. The data shows that in 2010 there were 1,963 job holders in Arundel and only 763 jobs in Arundel which shows that the majority of people living in Arundel commute out for work. It is not the economy in Arundel alone or the RSU that will determine people moving into town but a much broader area such as the York and Cumberland County areas. Arundel's median home price in 2009 was above the median home price for York County.

Additional strategic considerations that factor into any estimate of projecting the cost of education are the future of religious schools, home schooling, virtual schooling, all alternatives to public education which could impact enrollment. Also the uncertainty of the high cost of special education, school choice and school finance legislation will affect education costs.

Planning Decisions has assembled the ED279 forms for State aid to education and they will be running them through the state formula to determine costs. They are working through the costs now. The assumptions are that the relative property values of the three towns will remain as they are, the enrollment will be as projected, the Essential Programs & Services budget increases at the rate of inflation over the next 10 years and lastly and importantly the improvements in the Capital Budget (debt service) for the RSU will include 55 million dollars for new schools in the RSU. If the Arundel alone scenario plays out there will be 4.5 million dollars in Arundel improvements and renovations. In summary, we make the projections by working through with the enrollment projections made for all three towns, with the relative property value per student remaining the same, and with an assumption of capital improvements being different in that there would be a substantially larger capital improvement with the RSU. They will make projections three ways, 1. Assuming Arundel remains in the RSU with the capital improvements. 2. Arundel remains in RSU without capital improvements and 3.Arundel alone with capital improvements for M.L. Day School.

These calculations will give an estimated amount that would be the State allocated rate and an assigned local share based upon the minimum mil rate required and a local extra necessary to maintain the current level of service projected forward.

Mr. Lawton entertained questions from the committee.

Tom Danylik asked which cost sharing formula will be used in terms of the capital improvements and also the potential that the cost sharing formula may change.

Mr. Lawton states that the current 60/40 cost sharing formula will be used as it exists now. He can use future rates as well as projecting the costs with or without capital improvements.

Jon Renell pointed out that all kinds of assumptions can be made and a separate assumption can be made if the cost sharing formula did change or if the capital improvements didn't pass etc. It is all speculative at this point.

Mr. Lawton agreed that it is speculative but it is helpful to have the information available for people to think it over and make a decision from.

Jack Turcotte commented that enrollment projections are traditionally pretty accurate unless something like a big industry leaves the community, historically they are fairly reliable. Jack notes that he is not looking for hard data but rather information for people to think about and what variables can affect the costs. Jack has been very careful over the last six months in not assuring the public that the committee will be able to prove what it will cost to stay in vs. withdraw from the RSU.

Mr. Lawton noted that the study can point out the major trends and influences that won't turn on a dime; the demographics and Arundel's share of students at the RSU, a yes or no decision on capital improvements will have an ongoing effect on the town. Jack Turcotte noted that at a municipal level the cost sharing does not change but in an SAD or RSU it will always be a question.

Mr. Lawton spoke next of the actuarial nature of Special Education. When Lawton met with the Special Education director of the RSU he noted, the costs are not set, it depends on the need of the particular student.

Questions:
Velma Jones-Hayes: In the withdrawal plan it states that Arundel is responsible for a portion of the Superintendent's salary for the year. Will the projections show a Superintendent and administrative salary for Arundel as a stand-alone district? Lawton replied that the calculations will take administrative costs into account.

Jack Reetz: commented that he feels the comparisons are showing apples to apples and points out that people need to consider the value of their tax dollar in terms of the quality of the education being provided. Mr. Lawton noted that as a voter he is not as concerned with the 10 year projections being 100% accurate so long as the information provided points in the direction of the decision to be made.

Todd Shea commented that this withdrawal committee can have the best wishes and want to provide for the same exact education as the RSU is providing at this point, but this committee's work ends and the school board committee takes over. In the event that the town does withdraw, who gets elected to the school board, and the responsibility they are held to will be important for all residents to consider. If a resident were to feel the quality of education was lacking then that needs to be brought to the school board's attention.

B. Committee recommendations to Planning Decisions on assumptions and projections

The board requested that Planning Decisions proceed with the report with the additional projections as discussed this evening, including projections with and without capital improvements as well as cost sharing formula variations.

Mr. Lawton will plan to have the draft available to the committee by the end of September. The committee will re-convene to discuss the report prior to a public hearing to be hosted by the committee in October.

Todd Shea noted that the information that comes to him in written format will be available on the website and will be included in the upcoming arrow newsletter.

V. *Adjourn*

Jon Renell moved to adjourn at 8:32 p.m. Tom Danylik seconded the motion and it passed with all in favor.