

## **WITHDRAWAL AGREEMENT**

### **Between Town of Wiscasset Withdrawal Committee and Regional School Unit No. 12**

THIS WITHDRAWAL AGREEMENT is dated as of this May 9, 2013, by and between the Town of Wiscasset Withdrawal Committee and Regional School Unit No. 12 pursuant to 20-A M.R.S. §1466 to provide for the withdrawal of the Town of Wiscasset (the "Town" or "Wiscasset") from Regional School Unit No. 12 (the "RSU" or "RSU 12").

#### **1. Purpose.**

The purpose of this Agreement is:

- 1) To provide for the timely and orderly withdrawal of Wiscasset from RSU 12;
- 2) To provide educational continuity for all students residing in Wiscasset and residing in RSU 12;
- 3) To minimize disruption to RSU 12's educational programming and to minimize costs to RSU 12's taxpayers by reason of the withdrawal;
- 4) To allocate RSU 12's financial and contractual obligations, and its assets, between RSU 12 and the new administrative unit that includes, or is comprised of, Wiscasset, as of the effective date of Wiscasset's withdrawal in a manner that fairly takes into account the continuity of educational programs and the goal of mitigating cost increases where possible as a result of the withdrawal.

#### **2. Effective Date of Withdrawal.**

Pursuant to 20-A M.R.S. § 1466, the parties recognize and agree that this Agreement must provide for an orderly transition of governance and administration following the vote in Wiscasset on withdrawal, so that as of the effective date of reorganization, the following shall have occurred: (i) the election of a school committee in Wiscasset; (ii) the hiring of a superintendent by the Wiscasset school committee; (iii) the development of school unit budgets for the fiscal year, by the Wiscasset school committee for the New Wiscasset SAU (as defined below), and by the RSU 12 school board for RSU 12, as it has been reorganized; and (iv) the approval of both school budgets under the budget validation referendum process. Accordingly, and so all of this may occur prior to the effective date of reorganization, Wiscasset shall withdraw from RSU 12 in accordance with the terms of this Agreement as of July 1, 2014 (the "Effective Date"). As of the Effective Date, Wiscasset shall no longer be a member of the RSU 12 school administrative unit. As of the Effective Date, Wiscasset shall be a separate municipal school administrative unit comprised solely of Wiscasset. Thereafter, if Wiscasset joins, merges or otherwise combines with one or more other school administrative units into a new school administrative unit, Wiscasset's obligations under this Agreement shall be binding on that successor school administrative unit (hereinafter, "New Wiscasset SAU").

### 3. Continuity of Educational Services

RSU 12 and the New Wiscasset SAU will provide continuity of educational services to their respective students, as follows:

A. Wiscasset Students Attending Schools Located within the Town of Wiscasset (or otherwise outside RSU 12):

The New Wiscasset SAU will be responsible to provide education to Wiscasset students attending schools located in Wiscasset or otherwise attending schools outside RSU 12.

B. Wiscasset Students attending RSU 12 schools outside the Town of Wiscasset:

In accordance with Section 1466(4)(A)(1) of Title 20-A, any student residing in Wiscasset who attends an RSU 12 school outside of Wiscasset and is enrolled in that school at the close of the school year prior to the Effective Date, or any student residing in Wiscasset who would have attended an RSU 12 school outside of Wiscasset during the school year following withdrawal if Wiscasset had not withdrawn from RSU 12, may attend that RSU 12 school during the first year after withdrawal. On or about the Effective Date, the Superintendents of RSU 12 and the New Wiscasset SAU shall confer with each other and shall jointly certify the list of such students ("Wiscasset Enrollees in Other RSU 12 Schools").

A student's right to continue to be educated at an RSU 12 school for the first school year after the Effective Date shall terminate if the student discontinues his or her enrollment at that school for a continuous period of 90 calendar days between September 1 and June 15 of the school year following the Effective Date, 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 the RSU 12 school for a continuous period of 90 days due to health reasons, out-of-district special education placement, or approved travel or study abroad, shall not terminate a student's right to continue to attend RSU 12 schools under this Agreement. In addition, in other appropriate circumstances, the Superintendents may agree that a student's failure to attend RSU 12 schools for a continuous period of 90 days shall not terminate the student's right to continue his or her education at RSU 12 schools under this Agreement.

The parties recognize that the RSU 12 Plan of Reorganization, as amended to date (the "Reorganization Plan"), does not provide choice options to Wiscasset students due to the fact that Wiscasset operated a K-12 system before RSU 12 was formed. Accordingly, following the first year after the Effective Date, there is no continued right for Wiscasset students to attend RSU 12 schools on a tuition basis, except as expressly provided herein for certain special education students

The tuition rate payable by Wiscasset to RSU 12 for Wiscasset students attending RSU 12 schools in the year following the Effective Date pursuant to the terms of this

Agreement shall be as follows. The tuition rate for elementary students, exclusive of students receiving special education services, shall be determined under Section 5804 of Title 20-A; the tuition rate for secondary students, exclusive of students receiving special education services, shall be determined under Section 1466(4)(A)(1) of Title 20-A. These rates shall not include a debt service factor. Pursuant to Section 1466(4)(A)(1) of Title 20-A, as applicable, these rates are not subject to any per pupil average limitation. To the extent required by law, the tuition for a Wiscasset secondary student attending an RSU 12 school and attending a career and technical center program outside RSU 12 shall be prorated.

RSU 12 will invoice the New Wiscasset SAU for tuition on a quarterly basis, with a reconciliation after the Department of Education sets final tuition rates and during the fiscal year in which the tuition costs are incurred.

C. RSU 12 Students Attending Wiscasset Schools; Maintenance of Choice Options:

It is the intention of this Agreement that the withdrawal of Wiscasset not interfere with the preexisting choice options to attend Wiscasset schools of students in the member towns of RSU 12 outside of Wiscasset under currently applicable law and the Reorganization Plan. Accordingly, to the extent provided by the Reorganization Plan, Alna resident grade K-12 students, Westport Island resident grade K-12 students, Chelsea resident secondary students, Palermo resident secondary students, Somerville resident secondary students, Whitefield resident secondary students and Windsor resident secondary students shall continue to have the option to attend Wiscasset schools.

Should the New Wiscasset SAU close Wiscasset High School, Wiscasset Middle School or Wiscasset Primary School in accordance with applicable law (and, if in the case of a closure within 5 years of the Effective Date, the Department of Education agrees that the closure will not create the need for a state subsidized school construction project that would not have arisen had the withdrawal not occurred) and continue to provide educational programming for the grades of the closed school, the New Wiscasset SAU will continue to provide placement for RSU 12 students with choice option to attend Wiscasset schools in the same manner as Wiscasset students of the closed school for a period of ten (10) years from the Effective Date. Should the New Wiscasset SAU close Wiscasset High School, Wiscasset Middle School or Wiscasset Primary School in accordance with applicable law (and, if in the case of a closure within 5 years of the Effective Date, the Department of Education agrees that the closure will not create the need for a state subsidized school construction project that would not have arisen had the withdrawal not occurred) and discontinue its own educational programming for the grades of the closed school, the New Wiscasset SAU will discontinue placement for RSU 12 students that attended the closed school, and the placement of those RSU 12 students that attended the closed school shall be the responsibility of RSU 12.

In all cases, however, in the event the New Wiscasset SAU initiates steps to close a school attended by RSU 12 students, the New Wiscasset SAU will provide written notice to RSU 12 that it has initiated that process and thereafter keep RSU 12 reasonably

informed of the closure progress and schedule. Additionally, the New Wiscasset SAU shall provide RSU 12 with written notice of final action to close a school delivered on or before December 1 of the year prior to the fiscal year in which the closure occurs.

In each year following the Effective Date, the tuition rate payable by RSU 12 to Wiscasset for RSU 12 students attending Wiscasset schools pursuant to the terms of this Agreement shall be as follows. The tuition rate for elementary students, exclusive of students receiving special education services, shall be the maximum allowable tuition payment under Section 5804(1) of Title 20-A; the tuition rate for secondary students, exclusive of students receiving special education services, shall be the maximum allowable tuition under Section 5805(2) of Title 20-A. To the extent required by law, the tuition for an RSU 12 secondary student attending a school in Wiscasset and attending a career and technical center program outside Wiscasset shall be prorated.

The New Wiscasset SAU will invoice RSU 12 for tuition on a quarterly basis, with a reconciliation after the Department of Education sets final tuition rates and during the fiscal year in which the tuition costs are incurred.

D. Wiscasset Special Education Students Attending Wiscasset Schools:

The New Wiscasset SAU will provide for continuity of programming for all special education students residing within the Town of Wiscasset attending Wiscasset schools. The New Wiscasset SAU assumes all responsibilities for decisions related to special education for these students.

E. Wiscasset Special Education Students Attending RSU 12 Schools:

During the school year following the Effective Date and thereafter, for students residing in Wiscasset attending RSU 12 schools pursuant to this Agreement, RSU 12 shall provide all special education and related special education services required by the IEP prepared by each student's IEP Team to the extent that RSU 12 has an appropriate program to meet the terms of the IEP and applicable requirements of Maine law and regulations. Decisions about whether RSU 12 can implement the terms of the IEP, and whether RSU 12 has an appropriate program or placement for a student pursuant to the requirements of the IEP, shall be made by RSU 12 after a careful review of the IEP for the student. In no event shall RSU 12 refuse to provide needed special education services as provided in the IEP for students residing in Wiscasset who are permitted to attend RSU 12 schools under this Agreement, except for student removals of not more than 10 cumulative school days in the school year when the student has been properly expelled from RSU 12 or when RSU 12 has determined that RSU 12 cannot provide an appropriate program or placement for that student. The New Wiscasset SAU's Director and/or Assistant Director of Special Education Services shall represent the New Wiscasset SAU for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for Wiscasset students attending RSU 12 schools. In the event that the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, the Wiscasset 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 12 personnel will work cooperatively with the Wiscasset SAU's representative, and, upon request will provide the Wiscasset SAU's representative with all information regarding classroom observations, student performance, academic achievement testing, and functional behavior assessment components of the student evaluation process. The Wiscasset SAU's representative shall provide input to RSU 12's Special Education Director (or other administrative designee) on the proper implementation of the IEPs of Wiscasset special education students attending RSU 12 schools or perceived deficiencies in IEP implementation. RSU 12 shall consider that input in good faith and RSU 12 shall respond in an appropriate manner consistent with the terms of this Agreement.

A special education or non-special education 504/ADA student residing in Wiscasset and attending an RSU 12 school during the year following the Effective Date shall be permitted to continue his or her education at that RSU 12 school after the first year following the Effective Date to the extent that the student's IEP or 504 team has determined that such continued attendance is required for the student to receive an appropriate education.

The New Wiscasset SAU shall be responsible for all the costs of special education for special education students residing in Wiscasset attending RSU 12 schools following the Effective Date pursuant to the terms of this Agreement. The New Wiscasset SAU shall pay RSU 12 for the special education costs of any such student as follows:

The tuition rate calculations under sections 5804 and 5805 of Title 20-A expressly exclude expenditures for special education. Therefore, 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 Wiscasset SAU, in addition to the maximum allowable tuition for those students as calculated under sections 5804 or, as applicable, 5805, of Title 20-A, shall be responsible for the actual costs of special education for those students, including special education transportation costs and costs for facilities modifications required to accommodate the students. For purposes of this Section 6, special education shall include non-special education 504/ADA plans and services and special education costs shall include costs of non-special education 504/ADA plans and services and reasonable attorneys' fees incurred by RSU 12 in connection with disputes over delivery of special education services and/or section 504/ADA plan services for individual Wiscasset students. RSU 12 shall provide an itemized invoice to the New Wiscasset SAU for such special education costs during the fiscal year in which the special education costs are incurred.

**F. RSU 12 Special Education Students Attending Wiscasset Schools:**

During the year following the Effective Date and thereafter, for students residing in RSU 12 attending Wiscasset schools under the terms of an IEP in effect as of the Effective Date or under existing choice options maintained by this Agreement, the New Wiscasset SAU shall provide all special education and related special education services required by the IEP prepared by each student's IEP Team to the extent that the New Wiscasset SAU

has an appropriate program to meet the terms of the IEP and applicable requirements of Maine law and regulations. Decisions about whether the New Wiscasset SAU can implement the terms of the IEP, and whether the New Wiscasset SAU has an appropriate program or placement for a student pursuant to the requirements of the IEP, shall be made by the New Wiscasset SAU after a careful review of the IEP for the student. In no event shall the New Wiscasset SAU refuse to provide needed special education services as provided in the IEP for students residing in RSU 12 who are permitted to attend Wiscasset schools under this Agreement, except for student removals of not more than 10 cumulative school days in the school year, when the student has been properly expelled from the New Wiscasset School or when the New Wiscasset SAU has determined that the New Wiscasset SAU cannot provide an appropriate program or placement for that student. RSU 12's Director and/or Assistant Director of Special Education Services shall represent RSU 12 for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for RSU 12 students attending Wiscasset schools. In the event that the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, RSU 12's representative at that Team meeting shall make the decisions on those issues, subject to the parent's due process rights in relation thereto. The New Wiscasset SAU personnel will work cooperatively with RSU 12's Director and/or Assistant Director of Special Education Services and other staff, and, upon request will provide the Director and/or Assistant Director of Special Education Services with all information regarding classroom observations, student performance, academic achievement testing and functional behavior assessment components of the student evaluation process in the possession of the New Wiscasset SAU. RSU 12's Director and/or Assistant Director of Special Education Services shall provide input to the New Wiscasset SAU staff on the proper implementation of RSU students' IEPs, or perceived deficiencies in IEP implementation. The New Wiscasset SAU shall consider that input in good faith and shall respond in an appropriate manner consistent with the terms of this Agreement.

A special education or non-special education 504/ADA student residing in RSU 12 attending a Wiscasset school shall be permitted to continue his or her education in that Wiscasset school after the first year following the Effective Date to the extent that the student's IEP or 504 team has determined that such continued attendance is required for the student to receive an appropriate education. This right is in addition to any right such student may have to attend a Wiscasset school under the existing choice options maintained by this Agreement.

RSU 12 shall be responsible for all the costs of special education for special education students residing in RSU 12 and attending Wiscasset schools following the Effective Date. RSU 12 shall pay the New Wiscasset SAU for the special education costs of any such student as follows:

The tuition rate calculations under sections 5804 and 5805 of Title 20-A expressly exclude expenditures for special education. Therefore, 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), RSU 12, in addition to the maximum allowable

tuition for those students as calculated under sections 5804 or, as applicable, 5805, of Title 20-A, shall be responsible for the actual costs of special education for those students, including special education transportation costs and costs for facilities modifications required to accommodate the students. For purposes of this Section 6, special education shall include non-special education 504/ADA plans and services and special education costs shall include costs of non-special education 504/ADA plans and services and reasonable attorneys' fees incurred by the New Wiscasset SAU in connection with disputes over delivery of special education services and/or section 504/ADA plan services for individual RSU 12 students. The New Wiscasset SAU shall provide an itemized invoice to RSU 12 for such special education costs during the fiscal year in which the special education costs are incurred.

#### **4. Need for School Construction.**

Wiscasset's withdrawal will not create the need for state subsidized school construction in the New Wiscasset SAU or RSU 12 within five (5) years from the date of withdrawal, except to the extent that a need for school construction existed prior to the Effective Date or would have arisen even if Wiscasset had not withdrawn.

#### **5. Transportation Services.**

The New Wiscasset SAU will be responsible to provide transportation services at its own expense for all Wiscasset students attending Wiscasset schools in the same manner as provided prior to the formation of RSU 12. In addition, the New Wiscasset SAU shall provide transportation at its own expense to and from RSU 12 schools for all Wiscasset students attending RSU 12 schools following the Effective Date, and RSU 12 shall provide transportation at its own expense to and from Wiscasset schools for all students residing in RSU 12 attending Wiscasset schools following the Effective Date. The New Wiscasset SAU, at its own expense, shall provide transportation for RSU 12 and Wiscasset secondary students to applied technology education programs.

Bus ownership, outstanding lease purchase agreements for buses, title to the bus garage in Wiscasset, employment contracts and collective bargaining agreements of employees driving buses or working at the garage, are all dealt with elsewhere in this Agreement.

#### **6. Administration of the New Administrative Unit.**

Upon withdrawal, the administration and governance of education for students residing in Wiscasset will be transferred directly from RSU 12 to the New Wiscasset SAU. The Town will become a municipal school. After the municipal vote to withdraw and prior to the date of withdrawal Wiscasset shall elect a school committee which shall have the authority to take all actions necessary, including but not limited to establishing a budget and hiring a superintendent to prepare the New Wiscasset SAU for the opening of the school year.

## **7. Distribution of Financial Commitments from Outstanding Bonds, Notes, Lease Purchase Agreements and Other Contractual Obligations.**

### **A. School Construction and Renovation Debt**

(1) Windsor School Construction Project. Under Paragraph 6.A of the Reorganization Plan, RSU 12 assumed liability to pay the bonds and notes issued by its members and listed in Exhibit 6.A of the Reorganization Plan. As such, the members of RSU 12, including Wiscasset, made a commitment to share responsibility for this debt, thereby investing in shared, long term capital assets that benefited RSU 12 as a whole. A decision by Wiscasset to withdraw will leave the other RSU members with increased debt responsibility unless Wiscasset fulfills its share of that obligation.

Under 20-A MRS §1466(16)(A), whenever a municipality withdraws from a regional school unit having outstanding indebtedness, the regional school unit remains intact for the purpose of securing and retiring the indebtedness, provided that the withdrawal agreement may provide for alternate means for retiring outstanding indebtedness.

The 2004 Windsor school construction project bond remains outstanding and will not be retired until 2024. Most of that debt service is subsidized by the State, but a portion is payable at local only expense. The remaining outstanding principal and interest balance of the local only portion of that debt as of July 1, 2014 will be \$97,592.48. In accordance with 20-A MRS §1466(16)(A), as an alternate means for retiring the local only outstanding indebtedness on the Windsor School Project, the New Wiscasset SAU shall pay RSU 12 a sum calculated as of the Effective Date and equal to 26.01% of the remaining outstanding principal balance of the local only portion of that debt plus accrued interest on such local only portion. In accordance with 20-A MRS §1466(16)(A) as an alternate means of retiring the local only indebtedness on the Windsor school construction project, RSU 12, exclusive of the New Wiscasset SAU, will assume and be solely liable at its own expense to pay the local only indebtedness on the Windsor school construction project issued by Windsor and assumed by RSU 12 under paragraph 6.A of the Reorganization Plan.

(2) Chelsea Elementary School Construction Project. Prior to the effective date of the Reorganization Plan, the Town of Chelsea approved a state subsidized school construction project at town referendum. Pursuant to state reorganization law, as codified in section 1506(5) of Title-20-A, RSU 12 was legally required to issue that debt to complete the Chelsea school construction project. As such, the members of RSU 12, including Wiscasset, made a commitment to share responsibility for this debt, thereby investing in shared, long term capital assets that benefited RSU 12 as a whole. On January 27, 2011, RSU 12 issued bonds to finance the Chelsea Elementary School Project. A decision by Wiscasset to withdraw will leave the other RSU members with increased debt responsibility unless Wiscasset fulfills its share of that obligation.

Under 20-A MRS §1466(16)(A), whenever a municipality withdraws from a regional school unit having outstanding indebtedness, the regional school unit remains intact for

the purpose of securing and retiring the indebtedness, provided that the withdrawal agreement may provide for alternate means for retiring outstanding indebtedness.

The 2011 Chelsea Elementary School construction project debt remains outstanding and will not be retired until 2031. Most of that debt service is subsidized by the State, but a portion is payable at local only expense. The remaining outstanding principal and interest balance of the local only portion of that debt as July 1, 2014 will be \$231,000.00. In accordance with 20-A MRS §1466(16)(A), as an alternate means for retiring the local only outstanding indebtedness on the Chelsea Elementary School construction project, the New Wiscasset SAU shall pay RSU 12 a sum calculated as of the Effective Date and equal to 26.01% of the remaining outstanding principal balance of the local only portion of that debt plus accrued interest on such local only portion. In accordance with 20-A MRS §1466(16)(A) as an alternate means of retiring the local only indebtedness on the Chelsea Elementary School construction project, RSU 12, exclusive of the New Wiscasset SAU, will assume and be solely liable at its own expense to pay the local only indebtedness on the Chelsea Elementary School construction project issued by RSU 12.

(3) Wiscasset Middle School Roof and Ventilation System Project. RSU 12 members have also invested in the Wiscasset Middle School roof and ventilation system project, and will have fully retired that debt by October, 2013. This investment represents funds that might otherwise have been invested in other capital needs of RSU 12's schools that have not been addressed. A decision by Wiscasset to withdraw after RSU 12 assumed its debt represents a loss of that investment in a long term capital asset. In consideration of RSU 12's agreement hereunder to transfer the Wiscasset Middle School back to Wiscasset, the New Wiscasset SAU agrees to reimburse RSU 12 for that investment. The total payments made by RSU 12 on that debt service as of July 1, 2014 will be \$214,980.75. The New Wiscasset SAU shall reimburse RSU 12 a sum calculated as of the Effective Date of this Agreement that equals 73.99% of the total debt service payments made by RSU 12 on that project. In accordance with 20-A MRS §1466(16)(A), to the extent the RSU has not fully retired the debt on the Wiscasset Middle School roof and ventilation project as of the Effective Date, as an alternate means for retiring any such outstanding indebtedness, as of the Effective Date, the New Wiscasset SAU will assume and be solely liable at its own expense to pay on or before the due date, such remaining debt service, if any, on the bonds, notes and/or lease purchase obligations, as applicable, issued by Wiscasset for the Wiscasset Middle School roof and ventilation system project and assumed by RSU 12 under paragraph 6.A of the Reorganization Plan.

(4) Revolving Renovation Fund. Prior to the formation of the RSU, Wiscasset issued a revolving renovation fund bond to the Maine Municipal Bond Bank for capital renovations to Wiscasset Primary School. RSU 12 assumed this debt when Wiscasset joined the RSU. This investment represents funds that might otherwise have been invested in other capital needs of RSU 12's schools that have not been addressed. A decision by Wiscasset to withdraw after RSU 12 assumed its debt represents a loss of that investment in a long term capital asset. In consideration of RSU 12's agreement hereunder to transfer the Wiscasset Primary School back to Wiscasset, the New Wiscasset SAU agrees to reimburse RSU 12 for that investment. The total payments

made by RSU 12 on that debt service as of July 1, 2014 will be \$25,490.80. The New Wiscasset SAU shall reimburse RSU 12 a sum calculated as of the Effective Date of this Agreement that equals 73.99% of the total debt service payments made by RSU 12 on that project.

B. Equipment and Other Bonds, Notes, Lease Purchase Agreements and Other Vendor Contracts.

(1) Contracts and Agreements. The New Wiscasset SAU agrees to assume and be solely liable for and at its own expense to pay any amounts that come due on or after the Effective Date under any contracts and agreements, including without limitation service, maintenance, consulting or other contracts and agreements related to Wiscasset school facilities or assets at those facilities. To the extent such existing contracts and agreements also cover facilities or assets retained by RSU 12, each party shall comply with the terms and conditions of the same and shall not exercise any right of non-appropriation without the consent of the other party, and the New Wiscasset SAU shall promptly pay invoices of RSU 12 for an equitable pro rata share of each payment obligation.

(2) Photocopier/Imaging Financing and Other Contracts. The New Wiscasset SAU agrees to assume copier, imaging and other office equipment lease purchase agreements, leases, consulting agreements (including without limitation any long term photocopying consulting agreement) and service contracts and payments which come due after the Effective Date related to the equipment located at the Wiscasset school facilities. To the extent such existing lease purchase agreements, leases, consulting agreements and service contracts also cover equipment retained by RSU 12, each party shall comply with the terms and conditions of the same and shall not exercise any right of non-appropriation without the consent of the other party, and the New Wiscasset SAU shall promptly pay invoices of RSU 12 for an equitable pro rata share of each payment obligation. In addition, RSU 12 refinanced Wiscasset's existing photocopier lease purchase agreement upon reorganization. The New Wiscasset SAU shall reimburse RSU 12 a sum of \$115,191.78, which represents the total payments made by RSU 12 on the behalf of Wiscasset.

(3) School Bus Financing Contracts. The New Wiscasset SAU agrees to assume and be solely liable for and at its own expense to pay any amounts due after the Effective Date under any lease purchase agreements or other financing arrangements on the buses listed in **Exhibit I** that RSU 12 has agreed to turn over to the New Wiscasset SAU. To the extent such existing lease purchase agreements or other financing arrangements also cover buses retained by RSU 12, each party shall comply with the terms and conditions of the same and shall not exercise any right of non-appropriation without the consent of RSU 12, and the New Wiscasset SAU shall promptly pay invoices of RSU 12 for an equitable pro rata share of each payment obligation.

C. Contractual Obligations for Staff.

The New Wiscasset SAU recognizes its responsibility to contribute to the existing RSU 12 staff contracts entered into by RSU 12 prior to a referendum vote by Wiscasset to withdraw. In this case, the only such contract is the Superintendent of School contract, a two year contract commencing July 1, 2013, through June 30, 2015. At the time RSU 12 entered into this contract, Wiscasset had not voted to withdraw. Accordingly, for the remaining term of this contract following the withdrawal, the New Wiscasset SAU agrees to pay 26.01% of the salary and benefits as listed in **Exhibit A** in annual installments on the first day of July commencing on the Effective Date. Exhibit A, including relevant dollar amounts, shall be updated to the Effective Date by RSU 12, and the updated Exhibit shall be attached to this Agreement as **Replacement Exhibit A**. If the actual annual cost for that year is not known as of July 1, the New Wiscasset SAU shall pay RSU 12's estimated cost for that year, and there shall be a reconciliation before the end of the year.

RSU 12 agrees to assign and the New Wiscasset SAU agrees to assume the staff contracts listed in **Exhibit B**, and Wiscasset shall be solely responsible for the salary and benefits described in those contracts. This list, including relevant dollar amounts, shall be updated to the Effective Date by RSU 12 and Wiscasset, and the updated list shall be attached to this Agreement as **Replacement Exhibit B**.

D. Legal Expenses and Costs.

Notwithstanding the provisions of paragraph 15B, Dispute Resolution, the substantially prevailing party in any action involving a claim that either party has breached its obligations under this Paragraph 7 shall be entitled to recover its costs and legal expenses, including reasonable attorney's fees.

**8. New Financial Commitments Issued Prior to the Effective Date**

If Wiscasset votes to withdraw from RSU 12, during the period between the date of that vote and the Effective Date, the New Wiscasset SAU shall have such right to issue bonds or notes or enter into lease purchase arrangements to upgrade Wiscasset school facilities to the extent it may be permitted under applicable provisions of law (including without limitation sections 5721, 5724(4) and 5772 of Title 30-A and section 1481-A of Title 20-A), in which case until the schools are transferred to Wiscasset, the parties shall reasonably cooperate with the renovations and improvements to effect the same without unnecessarily interfering with the operation of the Wiscasset schools.

In addition, if Wiscasset votes to withdraw from RSU 12, during the period between the date of that vote and the Effective Date, RSU 12 may issue bonds or notes or enter into lease purchase financing arrangements to upgrade facilities at the RSU's schools, including Wiscasset schools, and for other purposes to the extent permitted in subsections 8.A and 8.B below. Pursuant to 20-A M.R.S. §1466(16), RSU 12 will remain intact for purposes of retiring and securing that indebtedness.

The following provisions 8.A and 8.B will be effective only if the Maine Legislature enacts a corresponding similar provision of general law providing for new financial commitments after a withdrawal vote by a municipality and prior to the effective date of that municipality's withdrawal.

A. To the extent that such indebtedness is related to real or personal property located at or serving only school facilities in Wiscasset and is a general obligation, the RSU school board shall provide for the debt to be approved at an RSU 12 referendum vote conducted in accordance with the general laws but only in Wiscasset and not in the other RSU 12 member towns. Prior to the Effective Date, the obligations will be authorized to be issued by the RSU 12 school board in the name of RSU 12, but these obligations shall be obligations only of the New Wiscasset SAU, and to the extent the obligations are general obligations they shall be secured by ad valorem taxation in Wiscasset but not the other member town of RSU 12. On or after the Effective Date, the obligations will be authorized to be issued by the selectmen or other school or municipal officers, as applicable to the New Wiscasset SAU under the general laws, except that, as provided herein, any voter approval requirement applicable to the issuance of such indebtedness shall be deemed to have been satisfied by the referendum approval in Wiscasset as described under these procedures. Whether issued before or after the Effective Date, in either case, the New Wiscasset SAU hereby agrees to assume, and at its own expense to pay, such indebtedness entirely from funds of the New Wiscasset SAU with no contribution or participation by RSU 12.

B. To the extent that such indebtedness is related to real or personal property located at or serving only school facilities in an RSU 12 town or towns other than Wiscasset and is a general obligation, the RSU school board shall provide for the debt to be approved at an RSU referendum vote conducted in accordance with the general laws in RSU 12 member towns, but Wiscasset and other municipalities, if any, that have voted to withdraw, shall not participate in that referendum vote. The obligations will be authorized to be issued by the RSU 12 school board in the name of the RSU but these obligations shall not be obligations of the New Wiscasset SAU, and to the extent the obligations are general obligations they shall be secured by ad valorem taxation in the member towns of RSU 12 except Wiscasset and other municipalities, if any, that have voted to withdraw. RSU 12 hereby agrees to assume, and at its own expense to pay, such indebtedness entirely from its own funds with no contribution or participation by the New Wiscasset SAU, or by new SAUs of other towns that have voted to withdraw, if any.

## **9. Financial Commitment for RSU Superintendent.**

RESERVED. See Section 7.C above.

## **10. Continuation of Collective Bargaining Agreements.**

Three collective bargaining agreements (CBAs) currently pertain to certain RSU 12 employees that will be employed by the New Wiscasset SAU following Wiscasset's withdrawal: (1) July 1, 2011 to June 30, 2014 Contract between RSU 12 School Board and RSU 12 Administrators'

Association, attached as **Exhibit C**; (2) September 1, 2011 to August 31, 2014 Agreement between RSU 12 and the Sheepscot Valley Education Association Teachers' Unit, attached as **Exhibit D**; and (3) September 1, 2011 to August 31, 2014 Agreement between RSU 12 and the Sheepscot Valley Education Association, ESP Unit, attached as **Exhibit E**.

The above listed CBAs that are in effect on the Effective Date and that expire after the Effective Date shall, to the extent they cover employment positions that will be included in the New Wiscasset SAU, be assigned to and assumed by the New Wiscasset SAU as of the Effective Date. A list of employees with rights to continued employment to be assigned to Wiscasset schools and facilities is attached to this Agreement as **Exhibit F**. This list shall be updated to the Effective Date by RSU 12, and the updated list shall be attached to this Agreement as **Replacement Exhibit F**.

If withdrawal is approved by the voters of Wiscasset, RSU 12 shall have no further authority to bargain with respect to employment positions to be assigned to the New Wiscasset SAU for any period following the Effective Date. The School Board of the New Wiscasset SAU will extend representational rights to all of the bargaining units listed above for the purpose of negotiating future collective bargaining contracts. If, as of the date Wiscasset votes to approve this Agreement, RSU 12 is engaged in negotiations with any of the above bargaining units, the school board of the New Wiscasset SAU will assume responsibilities for those negotiations insofar as they pertain to employees of the New Wiscasset SAU and any period following the Effective Date.

If any CBA covering employment positions to be assigned to the New Wiscasset SAU has expired and no successor agreement has been executed as of the Effective Date, the New Wiscasset SAU shall maintain the status quo existing under the expired agreement with regard to employment positions assigned to the New Wiscasset SAU.

Employees occupying employment positions that are included in existing bargaining units and are assigned to the New Wiscasset SAU shall continue to be represented by the bargaining agents representing them before the Effective Date.

#### **11. Continuing Contract Rights under Section 13201.**

The withdrawal of Wiscasset will not affect the continuation of continuing contract rights under Section 13201 of Title 20-A. On the Effective Date, all continuing contract teachers assigned to the Wiscasset schools shall become continuing contract teachers of the New Wiscasset SAU. On the Effective Date, all probationary teachers assigned to the Wiscasset schools who become employees of the New Wiscasset SAU and who have earned years of service with RSU 12 toward continuing contract status shall retain those years of service for purposes of attaining continuing contract status with the New Wiscasset SAU. A list of continuing contract teachers and probationary teachers with their number of years of service toward continuing contract status, assigned to the Wiscasset schools is attached as **Exhibit G**. This list shall be updated to the Effective Date by RSU 12 and the updated list shall be attached to this Agreement as **Replacement Exhibit G**.

## 12. Other RSU 12 Employees.

RSU 12 employees serving in Wiscasset schools and facilities as of the Effective Date who are not covered by an employment contract or collective bargaining agreement will become employees of the New Wiscasset SAU as of the Effective Date.

## 13. Disposition of Real and Personal Property and Other Monetary Assets.

The New Wiscasset SAU shall be responsible for the cost, including any attorneys' fees, for all deeds, title assignments, bills of sale and other instruments of transfer or assignment; all recording, registration and filing fees; and all transfer, re-titling, inspection and other taxes, fees or charges of any governmental authority to effectuate the transfer of any property pursuant to this Agreement. All transfers and assignments shall be without warranty or covenant of title of any kind.

### A. Real Property and Fixtures.

RSU 12's right, title and interest in and to the Wiscasset schools and bus garage is based upon a certain Quitclaim Release Deed from the Inhabitants of the Town of Wiscasset to Regional School Unit No. 12 dated June 30, 2009 and recorded in the Lincoln County Registry of Deeds, Book 4165, Page 277 (the Town's Deed). Subject to approval of this Agreement by the voters of the Town of Wiscasset, following the date of Wiscasset withdrawal, RSU 12 shall convey by quitclaim deed to Wiscasset all of RSU 12's its right, title and interest in and to the premises described in the Town's Deed. That quitclaim deed shall except and reserve the right of RSU 12 to store buses for its students that attend Wiscasset schools, so long as the property is owned and is used as a bus garage by the New Wiscasset SAU. The parties may negotiate a service agreement for the RSU 12 buses stored in that bus garage.

A list of capital projects undertaken in RSU 12 schools since reorganization is attached hereto as **Exhibit H**. During this period, RSU 12 spent \$435,299.76 on capital projects. Of this total amount, 32.83% or \$142,908.91 was expended for Wiscasset schools. Based on RSU 12's cost sharing formula, Wiscasset contributed 26.01% or \$113,221.47 to the cost of RSU 12's capital projects. In order to compensate RSU 12 for the capital projects in Wiscasset's schools in excess of Wiscasset's contribution under the RSU 12 cost sharing formula, the New Wiscasset SAU shall pay RSU 12 the sum of \$29,687.44 on the Effective Date. Adjustments will be made to take into account any capital expenditures undertaken in RSU 12 schools subsequent to the date of this Agreement and prior to the Effective Date to compensate RSU 12 for 73.99% of the costs at Wiscasset schools and to compensate the New Wiscasset SAU for 26.01% of the costs at RSU schools outside of the Town of Wiscasset.

### B. Personal Property.

When Wiscasset joined RSU 12, ownership of all Wiscasset school buses listed on **Exhibit I, paragraph 1** was transferred from Wiscasset to RSU 12. The RSU has been

responsible for repair and upkeep of these buses. RSU 12's right, title and interest in some or all of these buses, as listed on Exhibit I, paragraph 2a, will be transferred to the New Wiscasset SAU on the Effective Date. In addition, the buses listed on **Exhibit I, paragraph 2b**, which have been acquired by RSU 12 will be conveyed to the New Wiscasset SAU on the Effective Date subject to the provisions of Section 7.B(3) of this agreement.

Any and all personal property located at the Wiscasset school properties or used exclusively for Wiscasset school programs, including movable equipment, furnishings, textbooks and other curriculum materials, supplies and inventories shall become property of the New Wiscasset SAU on the Effective Date, except for buses not identified to be transferred that may be stored in Wiscasset. The New Wiscasset SAU may require such assignments, bills of sale or other instruments of transfer as in its judgment is necessary to establish the New Wiscasset SAU's right, title and interest in such personal property.

The New Wiscasset SAU shall reimburse RSU 12 for excess major technology and equipment expenditures in Wiscasset schools as follows:

(1) Major Technology Expenditures. A list of major technology expenditures made in RSU 12 schools since reorganization is attached hereto as **Exhibit J**. During this period, RSU 12 made a payment of \$159,720.00 on the MLTI computers loan for the benefit of Wiscasset schools. Based on RSU 12's cost sharing formula, Wiscasset contributed 26.01% or \$41,543.17 to the cost of this technology expenditure and the remaining towns in RSU 12 contributed 73.99% or \$118,176.83 of these costs. In order to compensate RSU 12 for the major technology investments made in Wiscasset's schools in excess of Wiscasset's contribution under the RSU 12 cost sharing formula, the New Wiscasset SAU shall pay RSU 12 the sum of \$118,176.83 on the Effective Date. Adjustments will be made to take into account any additional major technology expenditures made in RSU 12 schools prior to the Effective Date to compensate RSU 12 for 73.99% of the costs at Wiscasset schools and to compensate the New Wiscasset SAU for 26.01% of the costs at RSU schools outside of the Town of Wiscasset.

(2) Major Equipment Expenditures. A list of major equipment purchases made by RSU 12 since reorganization is attached hereto as **Exhibit K**. During this period, RSU 12 made \$39,044.50 in major equipment purchases. Of this total amount 100% or \$39,044.50 was expended for major equipment purchases for Wiscasset schools. Based on RSU 12's cost sharing formula, Wiscasset contributed 26.01% or \$10,155.47 toward RSU 12's major equipment expenditures and the remaining towns in RSU 12 contributed 73.99% of these costs or \$28,889.03. In order to compensate RSU 12 for the major equipment purchases for Wiscasset schools in excess of Wiscasset's contribution under the RSU 12 cost sharing formula, the New Wiscasset SAU shall pay RSU 12 the sum of \$28,889.03 on the Effective Date. Adjustments will be made to take into account any additional major equipment expenditures for RSU 12 schools prior to the Effective Date to compensate RSU 12 for 73.99% of the costs at Wiscasset schools and to compensate the New Wiscasset SAU for 26.01% of the costs at RSU schools outside of the Town of Wiscasset.

### C. Net Monetary Assets.

(1) Undesignated Fund Balances after Final Audit and Allocation of Net Monetary Assets. The net monetary assets subject to allocation under this provision is that amount which is the difference between the undesignated fund balances remaining in RSU 12 accounts at the end of the last fiscal year prior to the Effective Date and the sum for which the New Wiscasset SAU has assumed liability under subsection (C)(2) below. These net monetary assets shall be allocated between RSU 12 and the New Wiscasset SAU after the completion of RSU 12's year-end audit for the fiscal year prior to Wiscasset's withdrawal. The undesignated fund balance used in the determination of the net monetary assets to be allocated shall be determined in accordance with generally accepted accounting principles as determined by final audit, including adjustments for encumbrances for all RSU 12 summer salary and benefits owed for that year. RSU 12 will pay the New Wiscasset SAU 26.01% of such net monetary assets remaining as of the date of withdrawal. Should the resulting undesignated fund balance be positive, RSU 12 will pay the amount due under this paragraph to the New Wiscasset SAU by January 31 following the Effective Date. Otherwise, the New Wiscasset SAU will pay RSU 12 26.01% of the negative undesignated fund balance amount remaining as of the date of withdrawal, such payment being made by January 31 following the Effective Date. The year-end net monetary assets to be allocated under this subsection (C)(1) do not include RSU 12 funds encumbered for the summer salary/benefit liability that the New Wiscasset SAU assumes under subsection (C)(2) as of the Effective Date. Since that assumption by the New Wiscasset SAU is in recognition of a Wiscasset liability that Wiscasset did not fund, it is not shared under this provision. RSU 12 shall conduct its business in good faith and shall not take any action for the purpose of gaining an unfair advantage in the allocation of net monetary assets under this provision.

(2) Summer Payroll and Benefits. When Wiscasset joined the RSU, RSU 12 assumed Wiscasset's liability for its 2009 unfunded summer payroll and benefits. In recognition of RSU 12's assumption of Wiscasset's liability, as of the Effective Date, the New Wiscasset SAU shall assume as of the Effective Date and pay RSU 12's liability for earned but unpaid summer payroll and benefits for employees at the Wiscasset Primary School, Wiscasset Middle School and Wiscasset High School. Applicable employees are listed in **Exhibit L**. This list, including relevant dollar amounts, shall be updated to the Effective Date by RSU 12, and the updated list shall be attached to this Agreement as **Replacement Exhibit L**.

#### **14. Milestone Dates for Orderly Transition of Administration and Governance.**

The parties recognize and agree that pursuant to section 1466(4)(A)(11) of Title 20-A, this Agreement must provide for an orderly transition of governance and administration following the vote in Wiscasset on withdrawal. In addition to the steps required to be completed by Wiscasset prior to the Effective Date, an orderly transition is needed for RSU 12. Accordingly, the parties have agreed on the following milestone events that are to occur prior to the Effective Date. This list of milestones is intended to demonstrate that an orderly transition of governance is planned

for Wiscasset and for the reorganized RSU 12 to start the fiscal year that begins on the Effective Date.

- A. Withdrawal referendum vote in Wiscasset: November, 2013 or as determined by the Commissioner.
- B. The election of a school committee in Wiscasset following a 40 day nomination period and a 45 day filing deadline.
- C. The hiring of a superintendent by the Wiscasset school committee.
- D. RSU 12 school board/ Wiscasset school committee approve their respective school budgets for the fiscal year that begins on the Effective Date.
- E. RSU 12 school board/Wiscasset municipal officers call their respective school budget meetings and validation referendums to be held prior to the July 1, 2014 Effective Date.

If this withdrawal agreement is approved by the Commissioner of Education and the withdrawal of Wiscasset as of the Effective Date is approved by the voters of Wiscasset, the voters of Wiscasset shall not participate in the approval of the RSU 12 budget or other RSU 12 budget or other matters for the fiscal year commencing on the Effective Date at either the budget meeting or the budget validation referendum, and RSU 12 shall not participate in the approval of the Wiscasset budget or other matters for the fiscal year commencing on the Effective Date at either the budget meeting or budget validation referendum.

## **15. Procedural Elements.**

### **A. Superintendents' Agreements.**

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.

### **B. Dispute Resolution.**

Any dispute between Wiscasset, the New Wiscasset SAU and RSU 12 (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, then each party retains all rights and remedies provided by law and the right to initiate and pursue litigation.

C. Applicability to Successor School Administrative Units.

Upon approval by the Maine Commissioner of Education and approval by a majority vote of the Town of Wiscasset conducted in accordance with the requirements of Title 20-A, section 1466(9) of the Maine Revised Statutes, as amended, this Agreement shall be binding upon the Town of Wiscasset, the New Wiscasset SAU, and any successor school administrative units that Wiscasset may join, merge with or otherwise be included in as a member during the term of this agreement, and on RSU 12 and its successor school administrative units. Accordingly, the terms of this Agreement shall be incorporated by reference into any Reorganization Plan to which Wiscasset, the New Wiscasset SAU, or RSU 12, or their respective successor school administrative units, is or becomes a party.

D. State and Local Approval.

This Agreement is subject to approval by the Maine Commissioner of Education as required by 20-A M.R.S. § 1466(4)(B) and approval by a majority vote at a referendum conducted in Wiscasset in accordance with the requirements of 20-A M.R.S. § 1466(9).

E. Unanticipated Contingent Liabilities.

The New Wiscasset SAU shall at all times remain liable for an allocable share of 26.01% of unanticipated liabilities arising between July 1, 2009, and the Effective Date and pertaining to RSU 12 operations, including, but not limited to lawsuits and federal audits.

F. Third Party SAU Secondary School Tuition Contract.

Historically, RSU 12 students have various school choice options. Wiscasset has agreed to maintain choice for RSU 12 students on the terms and conditions set forth hereinabove. To the extent required by the Department of Education for, or deemed by the RSU school board to be in the interests of, some or all RSU 12 secondary students, it is the responsibility of RSU 12 to secure a school of record through a tuition contract, and RSU 12 shall make reasonable efforts to do so pursuant to applicable laws governing tuition contracts.

[SIGNATURE PAGE FOLLOWS]

Signed at Wiscasset, this 9 day of May, 2013.

The Withdrawal Committee of the Town of Wiscasset:

Mary Magnus  
Member from the RSU 12 Board of Directors

John A. Clark  
Member and representative from Municipal Officers

[Signature]  
Member at Large

Timothy Mery  
Member of Petitioning Group

Signed at Wiscasset, this 9<sup>th</sup> day of May, 2013.

Regional School Unit No. 12:

Hilary Holm  
Chair, RSU 12 Board of Directors

Signed at Augusta, this 7 day of August, 2013.

Approved as a Final Withdrawal Agreement under 20-A M.R.S. §1466(5)

[Signature]  
Stephen L. Bowen  
Maine Commissioner of Education