

RSU #16 Meeting: Finance Committee  
Lewis Libby School  
July 30, 2008

Attendees: Keith Feero, Andrea Gifford, Scott Gordon, Harry Sanborn, Todd Saucier, Sally Strout, David Walker, Mike Williams, Dave Wollstadt

I Opening Remarks:

II. Cost Sharing

A. Review of 'Potential Cost Sharing Factors' sheet

1 Discussion began with consideration of Jake Clockadile's review on 7/23/08

a. Jake provided illustrations of Options 1, 2, 6 with adjustments

2 The 7/23/08 RPC meeting also requested that Option 8 be considered

a. This Fin. Comm. Meeting determined that the effort required may not provide any added value

- The determination was to disregard #8 and continue discussion with Jake's presentations

B. Cost Sharings basics.

1 Current 'Over EPS' will be included in the first RSU budget

2 The RSU communities must determine how best to pay that 'Over EPS' amount

C. YEAR 1: Cost sharing

1 Wollstadt: Prefers that current over EPS spending be the amount that drive the percentage of cost sharing in the first year.

a. Walker: Agrees that current over EPS may work best as valuation would jump OT from 43% to 53% in one year

b. Saucier: Todd clarified these suggestion and explanations with the committee and asked for other comments

- Sanborn: Harry stated that essentially there is no change to a community's contribution.

c. Williams: Mike questioned whether the over EPS amounts/percentages will be from the FY '09 or FY '10 budgets

- Walker: He answered that we will not have the over EPS numbers by community, may not have the info. to utilize for FY '10

- The State's financial report for our RSU will me an aggregate of all of our submissions and it will not have community amounts

2 The committee discussed the models and questioned scenarios, but ultimately continued in its agreement to utilize the over EPS percentage for the first year of cost sharing the over EPS budgeted amount

a. The committee also wished to include in its recommendation that the RPC document include language that suggests the SAU budgets submitted in February, 2009 for the first RSU operating year NOT have major departures from the current budgets submitted that are the basis for the cost sharing percentages.

b. By the numbers: Over EPS

- Old Town 43.57%

- Greenbush 13.57%

- Alton 6.27%

- Bradley 14.05%

- Milford 22.54%
- Total 100.00%

D. YEAR 2 thru infinity: Cost Sharing

1 Clockadile's Sheet 1: 50% Pupils / 50% Valuation

a. By the numbers Pupils Valuation Combined

- Old Town 49.42% 57.05% 53.24%
- Greenbush 12.02% 6.90% 9.46%
- Alton 5.96% 4.29% 5.13%
- Bradley 11.67% 10.23% 10.95%
- Milford 20.93% 21.53% 21.23%
- Total 100.00% 100.00% 100.00%

b. Discussion ensued regarding this proposal

- Wollstadt: Old Town's "penalty" would be about \$175,000 (DOE website) for pulling out of RSU

- 50% Pupils / 50% Valuation will require an increase of \$200,000 to meet the 53.24%

2 The committee then entered discussion about how we get to a zero effect relationship

a. Scott Hayden & Al Smith joined the group and we summarized the conversation

b. We ended the meeting by agreeing to begin the Debt discussion on August 12 @ 6:30

- The debt discussion will help to clarify the apportioning of debt which will add to the cost sharing factors

NEXT MEETING FOR FINANCE COMMITTEE: AUGUST 12, 2008 @ 6:30 P.M. AT LEWIS LIBBY