

**TOWN OF ORONO
COUNCIL/RSU#26 BUDGET WORKSHOP
COUNCIL CHAMBER - MUNICIPAL BUILDING
TUESDAY, APRIL 23, 2019 at 5PM**

MINUTES

1. Roll Call

Council Present: Council Chair Cindy Mehnert, Meghan Gardner, Tom Perry, Sam Kunz, Cheryl Robertson, Terry Greenier and Town Manager Sophie Wilson. Absent: Laurie Osher.

RSU#26 Present: Chair Brian McGill, Jacob Eckert, Mark Brewer, Erin Ellis, Geoffrey Wingard and RSU#26 Superintendent Meredith Higgins and Business Manager Lynn Gray.

2. Discussion of FY2019-2020 Budget

Chair Brian McGill reviewed the proposed RSU#26 FY2020 Budget revenues and expenses with the Council and RSU Board Members. The group discussed some of the details.

Councilors Perry and Kunz commented on the importance of applying any State revenue sharing increase to tax relief.

3. Discussion of Bond Referendum

Mr. McGill reviewed the RSU#26 Facilities Frequently Asked Questions (FAQ) summary sheets with the Council and RSU Board Members which included information on the proposed facilities updates and the bond process. *(See attached.)*

The Council and Town Manager suggested that RSU#26 provide a rough estimate to the public on the tax impact and communicate that there are unknowns right now. Councilors also suggested communicating the benefits of the facilities improvements to the community.

The RSU#26 Board Members and Superintendent confirmed that they will be putting information for the public on their website. Ms. Wilson stated that the Town will help get the information out to the public through the Town's website by linking to the RSU#26 website.

4. Adjourn

The meeting adjourned at 6:43 p.m.

Minutes are only a summary. An audio-recorded version is available on the Town's website at www.orono.org.

Respectfully submitted,
Nancy W. Ward
Executive Assistant

RSU 26 Facilities Frequently Asked Questions (FAQ)

Why do we need to update the facilities?

On the one hand, it's been almost 40 years since we've done anything major in any of the three schools. We've updated the boilers, kept the roofs from leaking and updated the hallways in the high school, but those are the biggest changes the schools have seen in almost 40 years. Some systems like electrical are badly in need of updates. And we have a portable that is over 40 years old when its projected life is ~15 years.

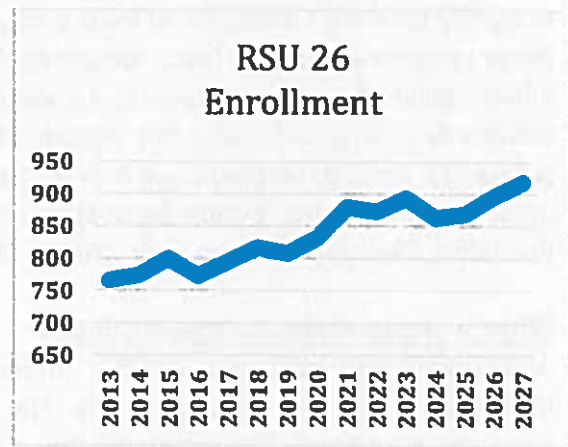


On the other hand, education has changed a lot in those 40 years. Most noticeably, students do not just sit in one classroom their whole day any more. Students break out into small groups for differentiated instruction and for hands on learning. Schools also now (as required by law) address the needs of special education students, gifted and talented students and English language learners. All of these needs require support spaces (e.g. conference breakout rooms) that just were not built into our schools 40-80 years ago. Overall the number of classrooms in our schools are sufficient, but the number of support spaces are woefully inadequate - we literally hold meetings in spaces that would be better described as closets. The accessibility of our facilities to students with disabilities is also badly behind the times.

There are also increased needs and expectations around safety and specifically the ability to control who enters the building and to rapidly communicate throughout the school during school hours.

An independent assessment of enrollment was conducted by NESDEC in January 2018. NESDEC is certified by the state to do enrollment projections for state-funded school projects. They estimate that our enrollment across the district will increase from current levels of 750-780 to about 855 by 2021-2022 and up to 897 a decade from now. Admittedly

the long-term projections are best available guestimates, but the 2021-2022 numbers are based on children already born and living in Orono (and sending towns). These increasing enrollment numbers will place additional demands on our buildings, and in particular will push beyond the breaking point our current cafeterias and kitchens which are already so badly undersized such that they negatively impact our ability to schedule educational programming.



What will it cost to address these issues?

To build three new schools from scratch would cost about \$100 million. To substantially renovate our three existing schools would cost \$30-\$50 million. The initial facilities assessment by an architectural firm put our needs at \$28.8 million dollars. The superintendent and school

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board have conducted an extensive process involving community input at three public forums (with mailers sent to every citizen in Orono), extensive work with an architectural firm, and subcommittees containing a mix of community members and staff. We have arrived at a plan that we believe can meet our needs for the next 20 years for \$16.9 million dollars.

How will you pay for this? Won't the state pay for this?

There are two major state programs for funding school facilities work. The major construction program provides money for new construction or substantial renovation of school buildings. This program is not currently funded by the state and applications may not open again for 5 years or more. Typically only the 10 or so schools most in need throughout the state get funded. The school board in consultation with the architects believes our middle school which was built in 1938 is a good candidate for funding through this program. Thus we are not doing anything except essential maintenance for the middle school and plan to actively pursue state funding for a major renovation of the middle school when this program becomes available again.

The state also provides a "Revolving Renovation Fund" for critical repairs. Although not currently available, we believe that this program could start up again as soon as this year. We can receive up to \$1 million per school for high priority repairs including electrical, roofs, school safety, disability accessibility (ADA). We have identified over \$1 million dollars in repairs that we will defer with the plan to pursue state funding when it becomes available.

The remaining needs (updates and extensions to Asa and the High School) do not seem likely to qualify for state funding for at least a couple of decades. Yet the school board has decided these updates are urgent (with nothing having been done for 40 years). At a price of \$16.9 million dollars this is not pursuable as part of our regular operating budget. Nor is it possible the citizens of Orono could raise this amount of money from donations. Thus the school board is pursuing a bond to be paid back over 20 years to finance this work. As a school district we will qualify for low interest bonds. Most state and municipal construction is funded by such bonds (including the current Orono town offices, library and public works facility).

What is the process for these bonds?

Any bond (a debt obligation for RSU 26) must be first recommended by the school board and then approved by the voters of Orono. The school board is finalizing the precise amount of the recommended bond. The voters will then have their say voting to approve or reject the bond. If approved the RSU will then work with a bond agency to sell the bonds and obtain access to the funds.

What exactly will the bond cover at Asa Adams

There are two main projects we are hoping to undertake at Asa:

- **Split the multi-use gym/cafeteria.** The current gym/cafeteria will become only the gym. A new cafeteria will be built in the space between the current gym and music room. This will give much more flexibility in scheduling and use of these spaces. We will also get a dedicated orchestra room (the current kitchen) which will allow for other uses of the

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stage. And the new kitchen will allow for more innovative food service and will provide additional ADA-compliant toilets.

- **Redo the entrance to the school.** This update will do several things. It will provide a more secure entrance to the building with a double door entry system and human eyes on the entrance. It will also replace the current "carport" to provide a nicer waiting area for parents and generally a more visually appealing entrance (see architectural rendering below). This new entrance will also have substantial increases in the amount of educational support space for special education, Ch 104, ELL, differentiated learning, etc. needs.

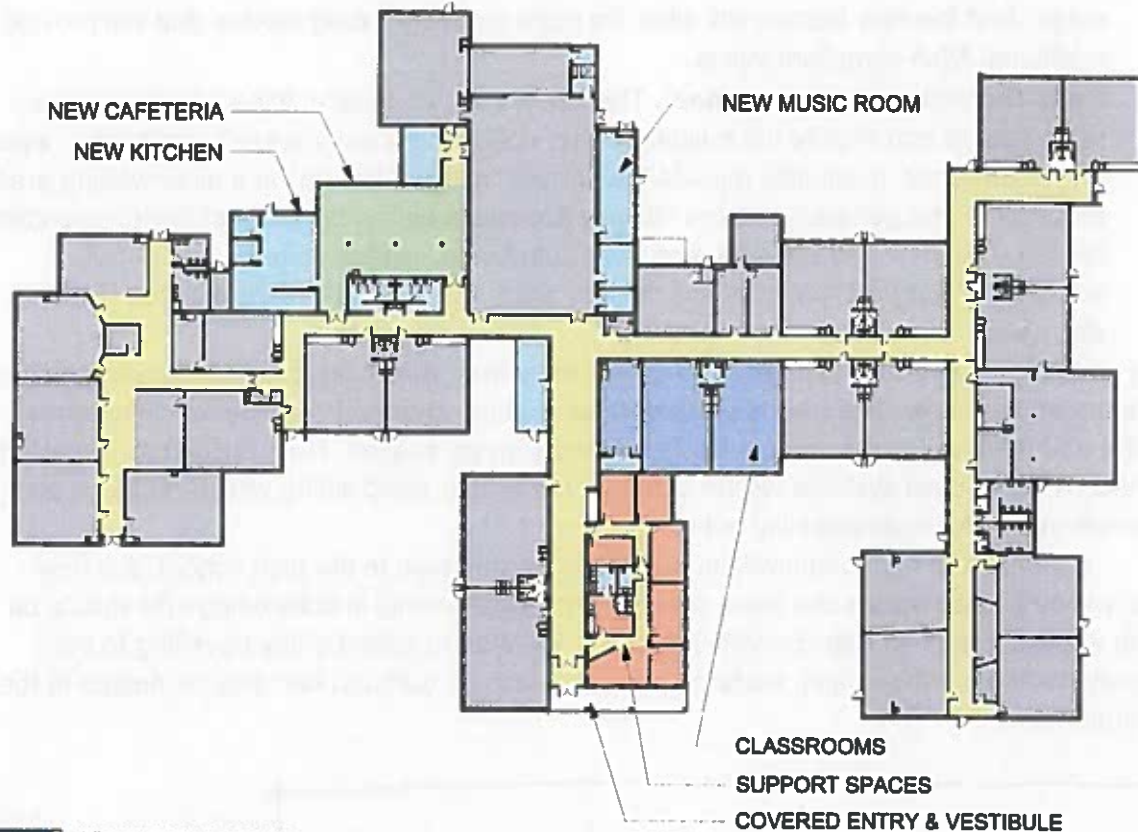
In the construction process two classrooms will move from where the cafeteria is being built to where the office is now. The plan is classroom neutral (no change in number of classrooms) with the emphasis on increasing the badly needed support spaces. The parking lots will also be updated. The electrical systems will be updated, the rotting wood siding will be replaced and improvements to ADA accessibility will be done.

Although the auditorium will be physically located next to the high school, this new space will be shared across the three schools with equal priority in scheduling and should be able to accommodate all Asa concerts (avoiding the need to spend a day travelling to the university for dress rehearsals). Visiting speakers (such as authors) can also be hosted in the new auditorium.



Architectural rendering of new entrance to Asa. Parent waiting area is to the right of the entrance. Behind the parent waiting area is an office with administrator eyes-on a double door entry system and additional support spaces.

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RENOVATION & ADDITIONS
RSU 26/ ASA C. ADAMS

MARCH 21, 2019

Floor plan for work at Asa (new cafeteria & kitchen shown in blue & green at top left). Orchestra moves to old kitchen in blue at top middle. New support spaces and entrance shown in middle bottom. Moved classrooms and increased support space shown in purple center.

What will be done at Orono Middle School?

As noted, our intention is to apply for state funding to perform major renovations at the middle school as soon as the program is available again. For this reason will be doing essential repairs only, such as electrical, so as not to jeopardize our qualifying for future funding. We also hope to renovate the existing choir or "STEAM" room located in the middle school to be able to accommodate the central administration office (superintendent and special education director) so that we can eliminate the 40 year old portable at the front of the middle school/high school (since this is not student space it should not affect our ability to qualify for state funding).

What will be done at Orono High School?

There are four main updates occurring at the high school:

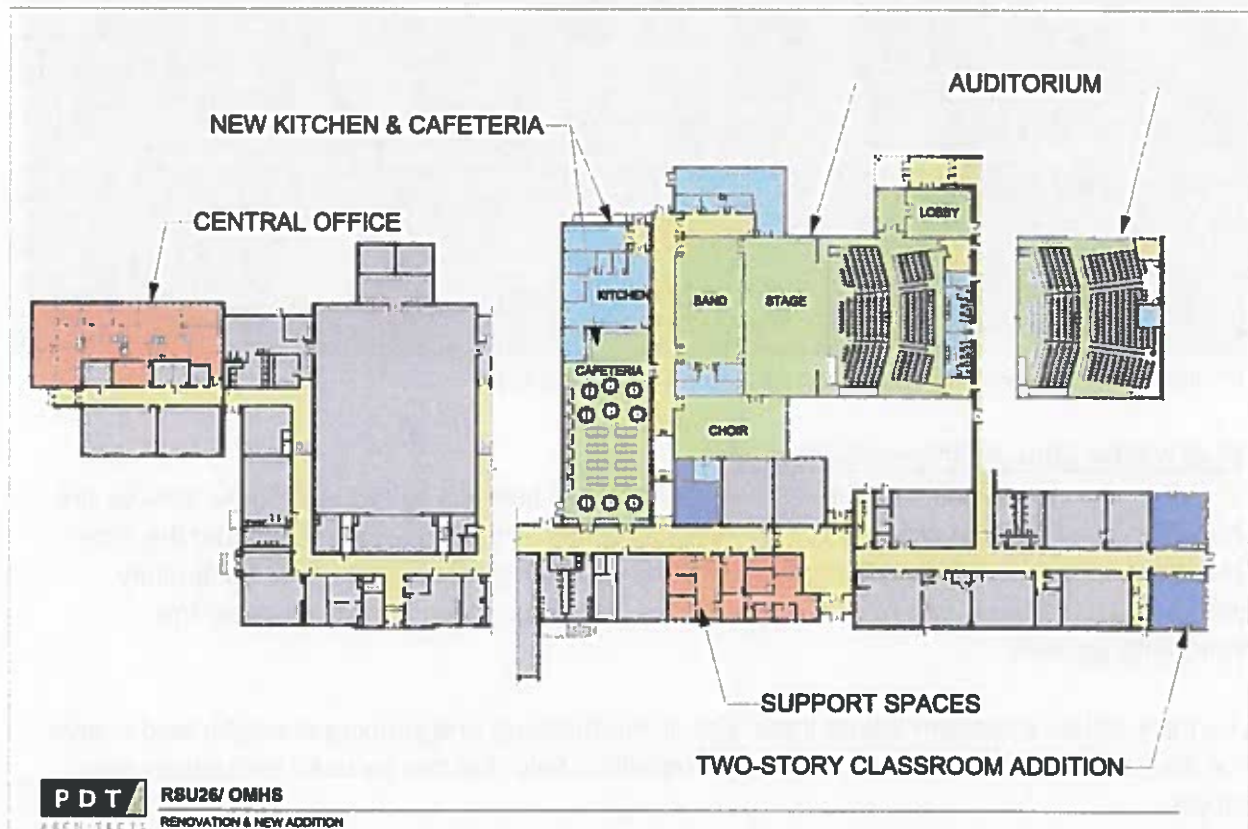
- The existing cafeteria, stage and band room will be renovated to provide an expanded cafeteria and kitchen space. The breezeway will be removed. This will provide a significant update to the one space used by every student every day. (An architectural rendering is shown below). It will also eliminate the scheduling constraints on getting all

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of our students through the lunchroom that right now prevent many educational improvements to the schedule that we would like to make.

- The choir and band room will be moved to a central location enabling the construction of other spaces in their existing locations.
- Four classrooms (two stories) will be added at the end of the existing science/foreign language wing to address increased enrollment projected at the high school.
- The office area will receive some minor renovations to provide a more secure entrance and to obtain additional educational support spaces (the old kitchen will also be repurposed for educational support spaces).

Other essential repairs such as electrical and roof repairs will also be performed. The back parking lot will be expanded with 75 more spaces and repaved.



Middle school and high school plans. Renovation of the STEAM room to accommodate the central office is in orange on the top left. Renovation to the support spaces (including current office and guidance) to gain a more secure entrance and an extra support room is in orange bottom center. Addition of four new class rooms (two stories) is in purple on the bottom right. Renovation of the existing cafeteria/stage/band room into an enlarged cafeteria in kitchen is center top in green & blue. Addition of an auditorium and movement of the band and choir spaces is in green at the center top.

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Architectural rendering of the expanded, renovated cafeteria.

What will be done in shared facilities?

An auditorium will be built and the current track/football field will be redone. These spaces are shared across the three schools as well as the broader community. We expect that the wider Orono community will find additional uses for these exciting new spaces. The community already uses the track, and having an auditorium opens up many opportunities for the community as well.

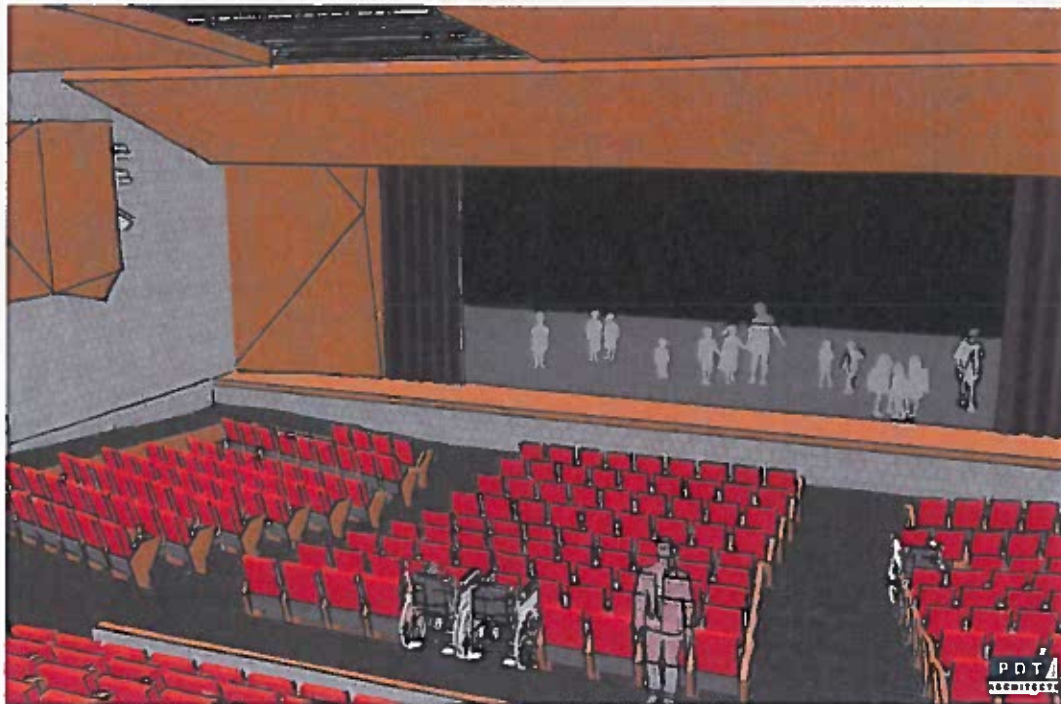
The track will be a modern 8-lane track with all the throwing and jumping areas for field events. The inside of the track will have a lighted competition field that can be used for football and soccer.

The auditorium will have 460 seats and a good sized stage. 50 of the seats at the front will be movable to allow for flexibility in the configuration for an orchestra area, stage extension, or interactive space. The entrance will be shared with the entrance to the gym and provide spaces for ticket sales and concessions and more toilets (ADA accessible). The planning committee has identified over 40 uses for the auditorium including of course concerts and plays, but also, invited artists and authors, multi-class events, all-staff meetings, and community events.

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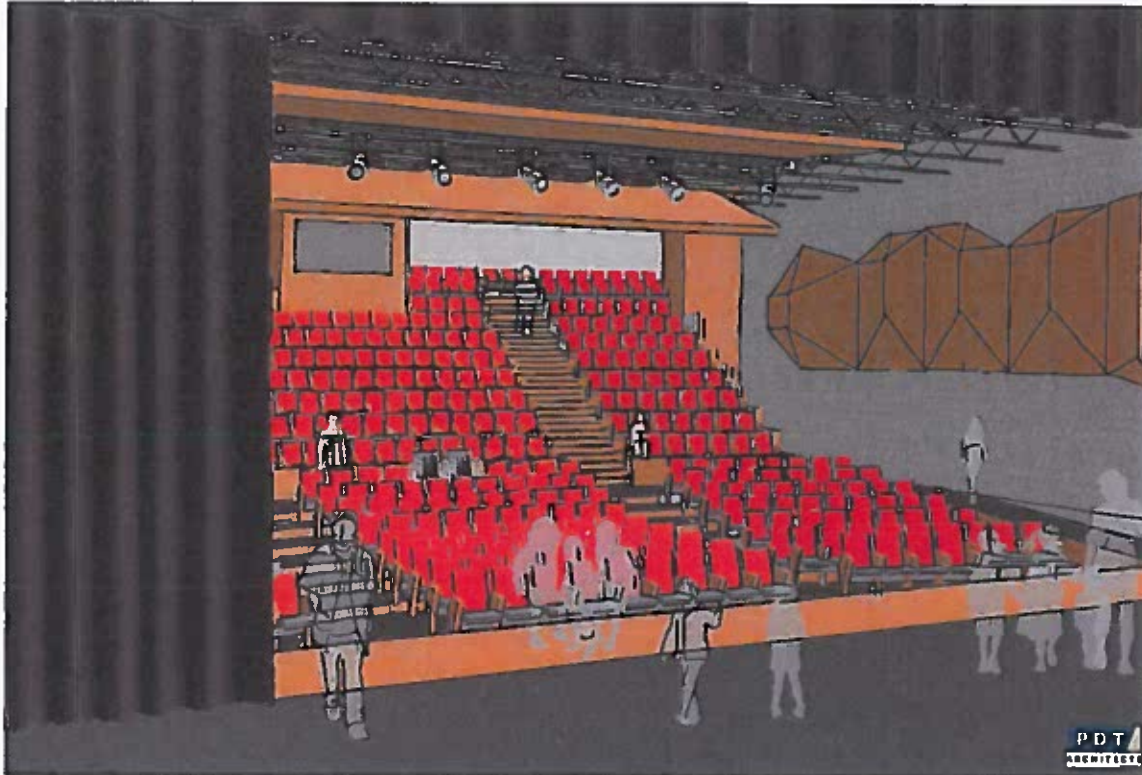


Rendering of updated track and competition field



Architectural rendering of the auditorium from the back towards the stage.

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Architectural rendering of the auditorium from the stage towards the rear.

These shared spaces will provide some opportunities for rentals to those outside the community. While not providing large sums of money, such rentals will likely go far towards paying for the upkeep of the facilities. They will also allow Orono to host regional and state-wide competitions.

These shared spaces are also essential in recruiting students from sending towns. Orono competes every year with Bangor, Old Town, John Bapst, Hampden and other schools for students. It is our belief that these spaces will play an important role in recruiting students from sending towns. Orono currently receives about \$1.4 million in tuition from these students. This helps to cover fixed costs like utilities, principals, superintendents, etc. that have to be paid regardless of how many students we have, thereby directly saving Orono tax payers substantial money. They also make the high school a more high performing and exciting place to learn.

When will construction start and end? What will the process look like?

If the bond passes in June 2019, then we would immediately begin the process of producing detailed architectural drawings and bidding the project. Construction would likely begin in spring 2020. It would run for 18-24 months (so finishing by spring 2022). We should not fool ourselves. Construction will be noisy and disruptive. It will likely involve some classes in portables at Asa and possibly at the high school. But it is cheaper to do the construction quickly and it is our belief that this will also be the best educational outcome in the long run. Extra costs for safety fences, dust containment, etc., are all built into the project costs to ensure that the schools will be 100% safe during the project.

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This bond does not touch most of the insides of the schools. Don't the schools need an update?

The school board has been wanting to invest more in upkeep in our schools for several years. But it made little sense to do so until we had a master plan that told us which areas were going to be kept and which were going to undergo major renovations. Now that we have this plan, we are planning, starting in the coming budget year, to add to our annual budget for maintenance and upgrade projects. This amount is of minimal tax impact (we expect a 0% increase in taxes this year despite more investment in maintenance), but it will enable us to do a rolling update through our buildings providing updates to our classrooms such as new paint, in some cases new ceilings, floors and lighting, as well as new furniture. Also included are updates for common areas such as libraries, teacher workspaces, hallways, etc.

Shouldn't the schools figure out their basic budget issues before asking for more funding?

Every year RSU 26 goes through an extensive public budgeting process starting in January and running through May. Each budget then gets approved by Orono voters first at an annual meeting and then in a June ballot. We know there are all kinds of rumors about school budgets. But here are the facts:

- Our average expenses (the only thing we control) have increased by about 3%/year. When you consider that inflation has varied between 2-3% and that our student enrollments have been increasing by 1-3%, this means our cost per pupil in inflation-adjusted dollars has been basically flat or even decreased a tiny bit over many years.
- It is true that taxes have gone up in those same years, but as suggested by the flat expenses, this is entirely driven by a declining share of revenues from the state (something the town has also struggled with). Nearly every town in the area has seen tax rates rise at levels similar to Orono due to this change in the state's unwillingness to fund towns and schools. The only alternative has been to significantly cut service levels at the school as one neighboring town has done, but we do not believe this is what the Orono community wants.
- This year (2019-20 school year), we project 0% increase in taxes due to the schools. This is a further example of how carefully the schools budget each year – when the state carries their share we manage expenses so as to have no impact on the town taxes.

Each year our budget passes with 65-85% of the vote. We are grateful that the town supports educating our students, but we also feel that we have been responsible and have earned this support.

What will the tax impact of the school facilities bond be?

We are currently working with bond advisors and counsel to determine estimated annual costs and tax impact of the bond. Additionally, we are working on calculations for operational cost increases as a result of increased square footage from the project. We anticipate having these numbers by early May 2019 and we will communicate these to the public once known.

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What are the plans if the bond is not approved?

As discussed, there is no alternative funding source for this work. If the bond fails, the schools will either have to figure out how to get by without these updates (which as pointed out in the first question will be very hard), or work on identifying why the bond failed, adjust the project, and submit it for voter approval in the future.

Where can I get more information?

You can contact the Superintendent's office at mhiggins@rsu26.org or 866-7110. You can also contact the board chair at bmcgill@rsu26.org or other board members whose addresses may be found at <https://www.rsu26.org/district-school-board/>. There will also be a public hearing on the bond on May 28th at 6PM in the town council chambers.