

Report of Timberlane Regional School District SAU 55 Withdrawal Planning Committee

# Organization and SAU 55 Withdrawal Plan

Submitted for Public Hearing 20 August 2019

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*Superintendent's Office SAU #55*

**Executive Summary**

## Proposed SAU Single District Budget

Proposed SAU Budget 2021-2022	2019-20 (budgeted)	Single District SAU - TRSD	Difference between 2 and 1 district SAU	Notes
<b>Executive Salaries SUBTOTALS</b>		\$485,000		Reduced Super Salary, Asst Super paid by TRSD, Reduction in Compensatory Time
<b>Support Salaries SUBTOTALS</b>		\$276,696		Reduced headcount from 7.5 to 5.5
<b>SALARIES TOTALS</b>	<b>\$1,069,598</b>	<b>\$761,696</b>	<b>\$307,902</b>	<b><u>Asst Superintendent salary and benefits &gt; \$150,000</u></b>
<b>Operating Expenses</b>				
- Audit	\$8,000	\$1,000	<b>\$7,000</b>	No need for separate audit, \$1,000 estimated increase to TRSD Audit
- School Board Expenses	\$600	\$600	<b>\$0</b>	Elimination of SAU board
- Conf & Travel Expense	\$10,000	\$10,000	<b>\$0</b>	

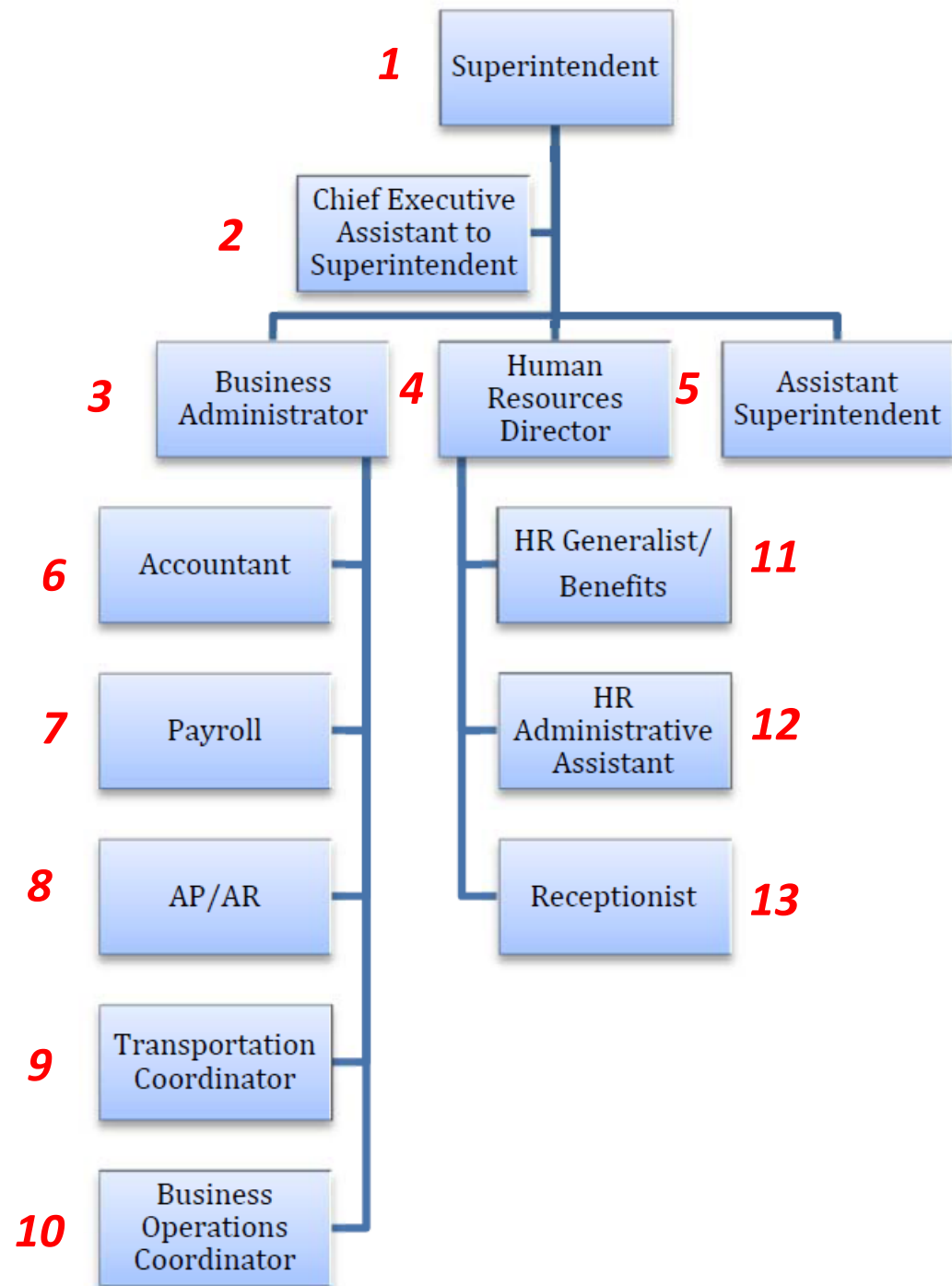
Reimbursement	\$0,000	\$0,000	\$0	
- Technology Services	\$151,060	\$115,000	<b>\$36,060</b>	Estimate provided by CFO
- Legal Services	\$40,000	\$2,500	<b>\$37,500</b>	Estimate provided by CFO
- Maintenance of Equipment	\$200	\$200	<b>\$0</b>	
- Office Rental	\$42,250	\$0	<b>\$42,250</b>	TRSD owns building - no rental fee needed to be split between districts
- Contracted Services	\$22,416	\$5,500	<b>\$16,916</b>	Estimate provided by CFO
- Liability Insurance	\$3,970	\$3,000	<b>\$970</b>	Assume 23% savings
- Telephone	\$9,250	\$9,000	<b>\$250</b>	
- Postage	\$4,000	\$2,000	<b>\$2,000</b>	
- In District Travel	\$9,000	\$2,000	<b>\$7,000</b>	
- Supplies	\$8,500	\$6,000	<b>\$2,500</b>	
- New Equipment	\$0	\$0	<b>\$0</b>	
- Replace Equipment	\$0	\$0	<b>\$0</b>	
- Dues and Fees	\$11,778	\$6,500	<b>\$5,278</b>	
- Custodial Service	\$7,000	\$7,000	<b>\$0</b>	
- Maintenance	\$0	\$0	<b>\$0</b>	
- Custodial Supplies	\$300	\$300	<b>\$0</b>	
- Electric Service	\$7,500	\$7,500	<b>\$0</b>	
- Fuel / Natural Gas	\$3,000	\$3,000	<b>\$0</b>	
- Employee Insurance	\$367,725	\$300,000	<b>\$67,725</b>	Assume 23% savings

**Moving from 13.5 FTE to 11.5 FTE is a 15% reduction in staff**



Or are we  
moving from  
13.5 FTE to 13  
FTE?

That would be a  
4% reduction in  
staff



<b>Proposed SAU Budget 2021-2022</b>	<b>2019-20 (budgeted)</b>	<b>Single District SAU - TRSD</b>	<b>Difference between 2 and 1 district SAU</b>	<b>Notes</b>
- Sick Leave Redemption	\$4,700	\$3,000	\$1,700	
- Employee Retirement	\$125,377	\$90,000	\$35,377	Assume 23% savings
- Social Security	\$86,479	\$60,000	\$26,479	
- Unemployment Compensation	\$0	\$0	\$0	
- Workers' Compensation	\$3,920	\$1,000	\$2,920	<u>16% reduction in salary</u>
- Other Employee Benefits	\$110,000	\$25,000	\$85,000	
- Federal Projects	\$1	\$1	\$0	
<b>SUBTOTALS</b>	<b>\$1,042,026</b>	<b>\$665,101</b>	<b>\$376,925</b>	
<b>Expenditure Summary</b>	<b>\$2,111,624</b>	<b>\$1,426,797</b>	<b>\$684,827</b>	<u>"Savings" not accurate</u>
<b>TRSD Contribution to SAU</b>	<b>\$1,589,325</b>	<b>\$1,426,797</b>	<b>\$162,528</b>	

# Transition Plan

The Committee recognizes both the size and complexity of TRSD. As such, it recommends a one-year transition period with an effective date of July 1, 2021 for the new single-district SAU. This date is preferable because it allows for the following:

- Expiration of all SAU contractual obligations except for the Superintendent contract which expires in August 2022.
- Incorporation of SAU budget into normal TRSD budgeting cycle.
- Onboarding of new personnel prior to formation of new SAU. It is expected that a new superintendent and 1-2 administrative personnel will be in place 3 months prior to the formation of the new SAU.
- Opportunity for Hampstead to relocate SAU 55 offices or renegotiate lease with TRSD.

**APRIL 1 start date for the new  
Superintendent**

**Liabilities:** The SAU has one multi-year contract that ends in August 2022. This contract remains the responsibility of SAU 55. Any pension liabilities follow the employees and will be the sole responsibility of the employees' employer.

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- Hampstead will remain in SAU 55
- Hampstead pays about 23% of the Superintendent's contract
- Stating the Superintendent's contract will remain in SAU 55 with Hampstead and that they will take on 100% of the Superintendent's contract is an assumption
- Potential legal costs are likely if the Timberlane Board believes we owe nothing for the current Superintendent's contract through 8/2022
- There is the potential for Timberlane to be paying for most (77%) of SAU 55's Superintendent as well as 100% of our own Superintendent in the 2021/2022 school year

## **Transition Cost FY 2020-2021**

It is estimated that there will be a transition cost of approximately \$100,000 in the year preceding the withdrawal (FY 2020-2021). This expense will be incurred as TRSD forms the new SAU. At a minimum, it is anticipated that a new superintendent and at least 1 administrative staff will be in place for approximately 3 months prior to the formation of the new SAU. The \$100,000 cost represents 3 months' salary and benefits for a superintendent position ( $\$200,000/4$ ) and one administrative staff ( $\$100,000 /4$ ) and approximately \$25,000 in miscellaneous expenses.



# Reasons to vote NO for withdrawal

1. “Savings” in the plan are grossly overstated
2. Hiring a new Superintendent to start April 1 is extremely difficult
3. We will very likely be paying 77% of Dr. Metzler’s salary and benefits in the 2021/2022 school year on top of 100% of the new Timberlane Superintendent’s salary and benefits

# Reasons to vote NO for withdrawal

5. \$100,000 for transition next year and it is likely not to be enough
6. Staffing an entire central office in 3 months will be an extremely difficult task
7. Our next First Student contract will lose the large discount we currently have with because of Hampstead
8. If you're trying to get rid of the current Superintendent just wait and his contract is up one year later (8/2022)
9. This is a LOT of money to pay because of personality conflicts

# Reasons to vote YES for withdrawal

1. You don't mind paying a lot more for central office services that will be dedicated to Timberlane