

POLICY COMMITTEE MEETING
SEPTEMBER 17, 2018
CENTRAL OFFICE – LIBRARY
4:30 PM

AGENDA

COMMITTEE MEMBERS:

R. Deakin	A. Dube
E. DeCotiis	A. Payeur

- Attendance
- BDE – Board Standing Committees (10 mins)
- BDD – Board-Superintendent Relationship (10 mins)
- BE – School Board Meetings (10 mins)
- BEA – School Board Use of Electronic Mail (15 mins)
- DCA – Loan Investments (10 mins)
- Adjournment

Next Meeting: October 1 @ 4:30

MSAD 6

Board Standing Committees

The Board believes that standing committees can be useful to its decision-making process and in the transaction of Board business. The Board may establish such standing committees as it deems necessary to facilitate MSAD 6 governance and address ongoing district needs. A standing committee has only such authority as specified by the Board.

All standing committees will be comprised of less than a majority of the Board.

All standing committee meetings are open to the public except as provided by the Freedom of Access Law and the Municipal Public Employees Labor Relations Law.

Establishment and Functions of Standing Committees

The following provisions apply to the establishment and functions of standing committees:

- A. All standing committees will be established by vote of the Board. A motion to establish a standing committee will state the purpose and responsibilities of the committee (the “charge”) and set the number of members comprising the committee.
- B. The Board Chair will appoint members to the following standing committees – Negotiations and Policy, from among the membership of the Board. The Finance / Facilities Committee will be elected from among the membership of the Board. Appointments/elections will be made at or as soon as practicable after the School Board’s annual organizational meeting. Whenever practicable, each standing committee will include a Board member from each town.
- C. The Board Chair will also make appointments to standing committee vacancies on standing committees that occur prior to the Board’s next organizational meeting.
- D. The term of appointment to a standing committee will be until the next organizational meeting.
- E. Each standing committee will elect its own chair and vice chair.
- F. The Board Chair and Superintendent will be ex officio (non-voting) members of all standing committees, **with the exception of when a quorum has been established and a tie-vote occurs among committee members. In this case, the Board Chair (if present at the meeting) may cast a vote to establish a majority.**

- G. Any Board member may attend standing committee meetings, but only appointed members of the committee **(and the Board Chair in the exception noted above)** may vote.
- H. Except as authorized by law or Board action, a standing committee may research issues and make recommendations for Board action, but may not act for the Board.
- I. A standing committee may be abolished at any time by a majority vote of the Board.
- J. The number of members on a standing committee and/or the responsibilities of a standing committee may be modified at any time by a majority vote of the Board.

Authorization/Appointment of Standing Committees

The Board will have the following standing committees:

- Finance and Facilities
- Policy
- Negotiations

Standing Committees and Their Responsibilities

The following is a summary of the responsibilities of the Board's Standing Committees.

A. Finance and Facilities (4 Members)

The Finance and Facilities Committee's role is to oversee the financial affairs of MSAD 6, and review and make recommendations to the Board about the financial affairs and policies of the district. This Committee oversees the preparation of the annual budget, and the financial performance of the organization in meeting its budgeted revenues and expenses. The Committee is responsible for providing oversight of the current year's budget and for helping set the parameters for the development of the next school year budget.

The Committee also reviews and monitors the needs and uses of district buildings and grounds in order to ensure that the district's buildings, facilities and infrastructure are appropriate for the educational, environmental, social, cultural and economic needs of the district. The committee studies the budgetary impact of needed improvements, and collaborates with administration and staff in the development and implementation of short and long-range improvement plans and capital projects that are in the best interest of the community and the district.

Responsibilities are:

- Monitor cash flow.
- Analyze financial data.
- Collect and analyze data to forecast revenue and expenditures.
- Generate financial reports.
- Support the budget development process.
- Sign payroll, accounts payable and food services warrants.
- Spot-check accounts payable invoices.
- Be present at opening of bids and ascertain that bids comply with the Board's bidding policy.
- Review and make recommendations related to district finances.
- Prepare financial reports for presentation to the Board.
- Perform other duties as delegated by the Board.
- Periodic facilities visits.
- Site visits.
- Architect interviews.
- Liaison with town governments regarding facilities.
- Making facilities recommendations to the Board.
- Be aware of state and regional events and issues that may impact the budget.
- Receive and review communications from towns within the district in regard to new program modifications that may impact the budget.
- Conduct budget development meetings with school administrators.
- Provide advice to the Superintendent in the crafting of a recommended budget.
- Participate in presentations of the Board-approved District Budget Meeting.
- Other functions as delegated by the Board.

B. Policy Committee (4 Members)

The Policy Committee is charged with reviewing and recommending all policies/policy changes to be considered by the Board. The Policy Committee will review and research timely topics, monitor state and federal statutes impacting school district policy, prepare draft policies as appropriate, and propose new or amended policies for consideration by the whole Board. Changes in needs, conditions, purposes and objectives require frequent revisions, deletions, and additions to the policies of present and future School Boards.

Responsibilities are:

- Making recommendations in regard to new policies.
- Making recommendations concerning revision of policies.
- Making recommendations concerning deletion/repeal of policies.
- Drafting proposed policies and revisions, or requesting the Superintendent to draft policy language for specific policies for its review.
- Review of exhibits and administrative procedures.
- Other functions as delegated by the Board.

- C. Negotiations Committee (5 Members – one from each town; in the event there is no Board representation from Frye Island, the committee will have only 4 Members)

The Negotiations Committee (also referred to as Salaries & Personnel Committee) oversees the negotiation of contracts with district personnel. The Committee reviews and *recommends to the School Board* salaries, benefits and policies for represented and non-represented employees. The Committee participates on the negotiating team and reviews and recommends parameters for negotiating collective bargaining agreements. The Negotiations Committee meets on as-needed basis.

Responsibilities are:

- Attend grievance hearings.
- Represent the Board during collective bargaining negotiations.
- Represent the Board during discussions of compensation and benefits for non-union personnel.
- Other functions as delegated by the Board.

The Board may establish other standing committees it deems necessary in accordance with this policy.

Legal Reference: 1 M.R.S.A. § 401 et seq.

First Reading: December 6, 2004

Second Reading: February 7, 2005

Adopted: February 7, 2005

Reviewed: March 7, 2011

Revised: April 4, 2011, August 11, 2014; June 20, 2015;
April 2, 2018

BOARD-SUPERINTENDENT RELATIONSHIP

The MSAD 6 Board believes that exercising its legislative function through policymaking is its most important responsibility. The Board is also responsible for setting the direction for the District and evaluation progress toward goals.

The management of the schools is the function of the Superintendent. The Board holds the Superintendent responsible for complying with all applicable laws, rules and regulations; for administering Board policies and decisions; for the operation of the schools and educational program; for the system of supervision and evaluation of staff; and for keeping the Board informed about school operations, problems and opportunities. The Board recognizes that the Superintendent may delegate certain responsibilities to other personnel. Such delegation does not relieve the Superintendent of the final responsibility for actions taken.

The Board, collectively and as individual members, will:

- A. Recognize the Superintendent as the educational leader of MSAD 6;
- B. Provide direction for the Superintendent through written policies, objectives and goals for the District;
- C. Give the Superintendent full administrative authority and support for properly discharging his/her professional duties, while holding him/her responsible for acceptable results;
- D. Hold all Board meetings in the presence of the Superintendent, except as otherwise permitted by law or when the Superintendent voluntarily excuses him/herself at the request of the Board;
- E. Refer complaints, criticisms, and requests to the Superintendent or other appropriate personnel and discuss them at Board meetings only after administrative solutions have been exhausted; and
- F. Evaluate the Superintendent and provide appropriate opportunities for the Superintendent to share his/her perceptions regarding the working relationship between the Board and Superintendent.

Legal Reference: 1 MRSA § 401 et seq.
20-A MRSA §§ 1001 et seq.; 1051 et seq.; 13201; 13301

Cross Reference: BBA – School Board Powers and Responsibilities
BCA – Board Member Code of Ethics
CBI – Evaluation of the Superintendent

Adopted:
Reviewed:
Revised:

NEW POLICY

School Board Meetings

The meetings of the School Board are basic to the operation of the District. All official action of the Board will be taken only when the Board is in formal session, called, scheduled and conducted according to adopted policies and state statutes.

Regular Meetings

The School Board will meet at 6:00 p.m. on the first and third Monday of every month and at such other times as deemed necessary by the Chairperson or the entire Board.

When the Regular Meeting day falls on a legal holiday, the meeting will normally be held on the following day unless scheduled otherwise by the Chairperson.

Each year the Board will establish the meeting schedule for July and August.

Special Meetings

A special meeting of the Board is a meeting that is held to address important matters that arise between regular meetings and/or require Board action before the time set for the next regular meeting, or to consider a single subject in one session.

A special meeting may be called at any time at the discretion of the Chair or at the request of the Superintendent. A special meeting will be called at the written request of three members of the Board.

The Superintendent will be responsible for providing notice of a special meeting to Board members and the media at least 72 hours in advance of the meeting. The notice or agenda will indicate the subject(s) of the meeting and action to be taken.

No business other than that stated in the notice of the meeting will be transacted except by unanimous consent of the Board members present.

Emergency Meetings

An emergency meeting of the Board is a meeting that is called because a matter is so urgent that it must be addressed immediately and the advance notice required for a special meeting cannot reasonably be provided.

An emergency meeting may be called by the Chair or at the request of the Superintendent.

Whenever practicable, 24 hour advance notice will be provided. The Superintendent will notify the media of an emergency meeting by the same or faster means as used to notify Board members. The notice will indicate the purpose of the meeting.

No business may be transacted other than that related to the purpose for which the emergency meeting is called.

Executive Session

Executive sessions of the Board will be called and conducted in accordance with state law. Only the matter(s) stated in the motion to enter executive session will be considered. No final action may be taken in executive session.

Workshops and Informational Meetings

The Board, at its discretion, may schedule workshops and other meetings to discuss a particular subject or proposal or to gather input from staff, community, or other groups.

No formal action will be taken by the Board at any meeting other than a regular meeting, special meeting, or emergency meeting.

Adjournment of Meetings

Meetings of the School Board will be adjourned at 10:00 p.m. except when a motion to continue past this hour has been carried by a two-thirds (2/3) vote of the Board members in attendance. It is also intended that a topic started before the 10:00 p.m. curfew may be continued beyond that point.

Postponement of Meetings

The Chair, in consultation with the Superintendent, may postpone any meeting in the event of severe weather or other emergency. Any meeting that is postponed will be rescheduled to the earliest practicable date. The Superintendent will be responsible for notifying the media and posting notice of the postponement on the District's website.

Legal References: 1 MRSA § 403 et seq.
20-A MRSA § 1001

Cross References: BEDB – Agenda

Adopted: October 18, 2004

Revised: November 21, 2011, September 18, 2017

SCHOOL BOARD USE OF ELECTRONIC MAIL

Use of electronic mail (email) by MSAD 6 School Board members should conform to the same standards of judgment, propriety and ethics as other forms of school board-related communication. Board members will comply with the following guidelines when using email in the conduct of Board responsibilities:

- A. Board members will not use email as a substitute for deliberations at Board meetings or for other communications or business properly confined to Board meetings.
- B. Board members should be aware that email (personal and District issue) and email attachments received or prepared for use in Board business or containing information relating to Board business are likely to be regarded as public records which may be inspected by any person upon request, unless otherwise made confidential by law.
- C. Board members should not reference confidential information about employees, students or other matters in email communications because of the risk of improper disclosure. Board members should comply with the same standards as school employees with regard to confidential information.
- D. Board members will refrain from using email addresses for political discussions and solicitations that are not directly related to business conducted by the School Board.
- E. Access to District email and the network for Board members should be removed at the end of their final term, resignation, or as notified by local government. Access will be removed by the Technology Department upon notification of central office by the next business day.

Legal Reference: 1 MRSA § 401 et seq.
20-A MRSA § 6001-6002
20 USC § 1232g

Cross Reference: BCA – Board Member Code of Ethics
GCSA – Employee Computer and Internet Use
JRA - Student Educational Records

NEPN/NSBA Code: BEA

First Reading: June 15, 2015
Adopted: July 13, 2015
Reviewed:
Revised: September 5, 2017

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MSAD 6

NEW DRAFT: REPLACES DCA – LOANS & INVESTMENTS

NEPN/NSBA Code: DFA

Revenues From Investments

MSAD 6 considers an investment program a critical ingredient of sound fiscal management. The Board authorizes an investment program for the purpose of securing a maximum yield of interest revenues to supplement other revenues for the support of the District's educational program.

The investment program will be administered in a way that will ensure:

- A. The continuous process of temporary investing of all fund balances and moneys available for investment purposes;
- B. The maintenance (revised following each cash transaction) of a yearly cash flow chart that will provide data to assist proper planning and decision making regarding amount, duration and type of investments;
- C. The use of an open competition system of bids and/or quotes to obtain the maximum yield possible on all investments from both local community and beyond-community financial institutions;
- D. That all vendors using MSAD 6 funds provide statements to the District of their collateral in the form of a list of the securities pledged at market value; and
- E. That all District investments will be in compliance with the law.

Delegation of Authority

MSAD 6 authorizes the District's Business Manager and Superintendent to manage all activities associated with the investment program in such manner as to accomplish the objectives of this policy. Their responsibilities will also include annual review and assessment of the District's investment program and filing a report and recommendations annually with the Board. The District's Business Manager is further authorized to execute in the Board's name any and all documents relating to the investment program in a timely manner and to confer with reputable consultants regarding investment decisions when necessary.

A monthly progress report of investments will be made to the Finance and Facilities Committee.

Legal Reference: 20-A MRSA § 1312 (SADs)
20-A MRSA § 1491(RSUs)

First Reading:
Adopted:
Revised:
Reviewed:

Maine School Administrative District No. 6

POLICY: Loans and Investments

FILE: DCA

FIRST READING:

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ADOPTED: April 1, 1985

REVIEWED: March 1, 1999, January 18, 2000

REVISED: March 22, 1999, March 6, 2000

1. POLICY

It is the policy of MSAD #6 from here on referred to as the District, to invest all funds in a manner which will provide safety of principal with a market rate of return while maintaining a sufficient level of liquidity to meet the daily cash flow demands of the District. State Statutes governing the investment of District Funds have been used as a basis for this policy.

The District has also taken the position that State Statutes governing the investments of Municipal funds be included in these policies. This position is a result of limited guidance on laws published in Maine Revised Statutes Annotated regarding investment of District funds and similarities between the operations of District and Municipal finances.

The District has also taken the above position regarding investments due to the State of Maine issuing L.D. 1245, "An act limiting the types of municipal investments," which appears to define and restrict even more, the investments of municipalities in the State of Maine.

2. SCOPE

This investment policy applies to all financial assets of the District. These financial assets are accounted for in various funds, which are within the annual financial statements for the District and include the following:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Trust and Scholarship Funds

3. PRUDENCE

Investment decisions should be made by applying the "Standard of Prudence," as defined in Title 30-A, Section 5718.

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"Investments shall be made with judgment and care that persons of prudence, discretion, and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation, but for investment, considering."

- Safety
- Maintenance of liquidity
- Income

The Standard of Prudence shall be applied in the context of managing an overall portfolio of the District. Investment officials, acting in accordance with internal control procedures and this investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price fluctuations, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

4. OBJECTIVES

The primary objectives, in order of priority, of the District's investment activities shall be:

- Safety** – The foremost objective is the preservation of capital and the protection of investment principal. Investments of the District shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent potential losses on individual securities from exceeding the income generated by the remainder of the portfolio.
- Liquidity** – The District 's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements, which might be reasonably projected. The maturity dates of investments shall not be beyond the time the District anticipates it will need the funds. Limitations on investments, diversification and maturity scheduling shall depend upon whether the funds being invested are considered short-term except those reserved for capital projects and special assessment prepayments being held out for debt retirement. In order to maintain liquidity, investments in operating funds shall have maturities of one year or less.

- c. **Return on Investment** – In investing public funds, the District will strive to maximize the return on the portfolio, but will avoid assuming unreasonable investment risk. The District’s investment portfolio shall be designed with the objective of attaining a competitive return throughout budgetary and economic cycles, taking into account the Districts investment risk constraints and the cash flow characteristics of the portfolio. A competitive return shall be determined by comparing a potential return to a benchmark return. A competitive return should be somewhat higher than the benchmark return. For the District’s purposes, the benchmark return will be a yield from a 90-day Treasury bill.

5. MAXIMUM MATURITIES

To the extent possible, the District will attempt to match its investment with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in securities more than one year from the date of purchase.

6. COLLATERALIZATION

The collateral shall only consist of securities in which District’s may invest, as provided in M.R.S.A. 30-A, Section 171.

The collateral shall be in an amount equal to the excess deposit. The Finance Committee shall determine the value of pledged securities on the basis of market value and shall review the value monthly.

Collateralization of accounts and deposits will be required when exceeding an amount equal to 25% of the capital, surplus, and undivided profits of any trust company or national bank or a sum exceeding an amount equal to 25% of the reserve fund and undivided profit account of a mutual savings bank or state or federal savings and loan association. The accounts and deposits must be collateralized by the pledge of certain securities or fully covered by insurance.

The collateral may also consist of securities in which municipalities may invest, as provided in M.R.S.A. 30-A, 5711-5719.

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7. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the District shall be conducted on a "delivery vs. payment" basis. Securities will be held by a third party custodian, or trust department designated by the Treasurer and evidenced by safekeeping receipts. The District may enter into an agreement with any financial institution with trust powers authorized to do business in the State for the safekeeping and investment of the reserve funds or trust funds of the District. Services shall consist of the safekeeping and investment management of the funds, collection of interest and dividends, periodic review of the portfolio investment and any other fiscal service which is normally covered in a safekeeping and investment agreement.

8. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

Investments shall be made in financial institutions that are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund. Any funds invested above the \$200,000 insurance limit, that is \$100,000 for demand deposits and \$100,000 for savings accounts, should be collateralized by the financial institution if possible, or the excess funds should be invested with another financial institution. Following is a list of some of the financial institutions authorized to provide investment services.

- People's Heritage Bank
- Fleet Bank
- Key Bank

Financial dealers that are authorized for use by the District include primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15 C3-1 (uniform net capital rule). The Treasurer shall obtain evidence of the qualification prior to investing with said firm. Following is a list of some of the authorized financial dealers:

- MBIA Class
- Prudential
- Shawmut

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9. AUTHORIZED INVESTMENTS

Under the Title 30-A of M.R.S.A., Section 171, regarding the deposit or investment of District Funds, "The Superintendent, with the advice and

consent of the District, may invest any amount considered advisable in bonds, notes, Certificates of indebtedness or other obligations of the United States which mature within one year from the date of investment or shares of an investment company registered under the Federal Investment Company Act of 1940.

The District may also invest in the following types on investments, as limited by M.R.S.A. 30-A, 5706-5716 pertaining to municipalities.

Obligations of the U.S. Government, its agencies and instrumentality's (none of which may have a rate of return that is based on or derived from other factors or indexes).

Certificates of deposit and other evidences of deposit at financial institutions.

Repurchase agreements collateralized by obligation of the U.S. Government in amounts equal to the District's investment.

Mutual funds whose portfolios consist of the foregoing.

10. DELEGATION OF AUTHORITY

Authority to manage the District's investment program is derived from the M.R.S.A. 30-A, Section 171, and is approved by the Board of Directors. The Finance Committee, along with the Treasurer, shall take recommendations to the School Board. The Board of Directors has also given authority to the Finance Committee to establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Committee and approved by the School Board. The School Board shall be responsible for all transactions undertaken and shall have the Finance Committee establish a system of controls to regulate the activities of investment officials.

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11. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to

the Treasurer and the School Board any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the District's portfolio.

12. PROHIBITED ACTIVITIES

No District employee shall invest District funds in any instrument or institution in which he/she accept any gift, free service or payment of any kind for performing their duties under this policy.

13. INTERNAL CONTROL

The Finance Committee shall establish a system of internal control which shall be documented in writing. The controls shall be instituted to prevent possible loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District.

The Finance Committee shall also establish an annual process of independent review by an external auditor. This review will enhance internal control by assessing compliance with policies and procedures.

14. ACCOUNTING METHOD

Investments will be carried on the District's books at no cost. Gains or Losses from investment sales will be carried or charged to investment in income at the time of sale. Premiums or discounts on securities may be amortized over the life of the securities.

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15. REPORTING

The Investment officer shall submit monthly and annual investment reports to the Superintendent's office and Finance Committee. These reports should be submitted by the 15th of each month. The reports shall summarize the investment strategies employed during the month and throughout the year, describe the portfolio in terms of types of investment securities, maturates, risk and a comparison of carrying values and market values. A summary of

the investment purchases and sales during the period and the return on the investments should also be reported.

The annual report shall summarize the monthly information and include suggestions for improvements that might be made in the investment program.

16. EXTERNAL MANAGEMENT

The Treasurer, with the approval of the Finance Committee, may contract with a qualified external money management company in order to benefit from portfolio diversification, credit research, full-time portfolio management and economies of scale that are unavailable from the District's internal staff. Any such contract will define and control the risks of the portfolio and establish performance criteria for monitoring and evaluating results.

Upon advice of the contracted, qualified external money management company, the District may invest in corporate stocks, bonds, or other debentures subject to limitations in M.R.S.A. 30-A.

17. INDEPENDENT PROVISIONS

If any section, sentence, or phrase of this policy is held for any reason to be inoperative, void or invalid, the validity of the remaining portion of this resolution shall not be affected. It is the intention of the District in adopting this resolution, that no portion alone shall become inoperative or fail by reason of the invalidity of any other portion and, the District does hereby declare that it would have separately passed and adopted the provisions contained herein apart from one another.

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18. EFFECTIVE APPLICATION

This policy shall apply to all investments purchased after the date of adoption of this policy by the School Board. This policy is not meant to apply to instruments purchased prior to the date of the adoption.

19. INVESTMENT POLICY ADOPTION

The District's investment policy shall be adopted by resolution of the School Board. The policy shall be reviewed on an annual basis by the Superintendent, Finance Committee, and Board of Directors. Any modifications made thereto must be approved by the School Board.