

**Testimony Neither For Nor Against at a SLG public hearing for  
LD 1280 : An Act Authorizing the Deorganization of the Town of Bancroft**

**on Monday, April 29, 2013**

Presented by Marcia McInnis, Fiscal Administrator of the Unorganized Territory, and Chair of  
the State Commission on Municipal Deorganization

Good afternoon Senator Lachowicz, and Representative Graham and other esteemed members  
of the Joint Standing Committee on State And Local Government

I am Marcia McInnis, the Fiscal Administrator of the Unorganized Territory in the Maine Department of Audit, and the Chair of the State Commission on Municipal Deorganization. I stand before this committee today to provide testimony neither for nor against LD 1280 : An Act Authorizing the Deorganization of the Town of Bancroft.

Maine statutes provide a means for incorporated municipalities to surrender their municipal charters and their corporate municipal powers in a deorganization process outlined in Title 30-A MRSA Chapters 302, and 303. The voters of the deorganizing municipality, and the members of the Maine State Legislature must both vote to approve the deorganization of a municipality for a proposed deorganization to succeed. The deorganization process is coordinated, and planned by the State Commission on Municipal Deorganization, an interagency commission, established under Title 5 Section 12004-L. The State Commission is composed of five members required by statute :

- 1.) Commissioner of Education or Designee – Ms. Shelley Lane, Director of Education in the Unorganized Territory.
- 2.) The Fiscal Administrator of the Unorganized Territory, Marcia McInnis, Chair of the State Commission.
- 3.) The State Tax Assessor or Designee – Ms. Lisa Whynot, assisted by Mr. Robert Doiron
- 4.) The Executive Director of LUPC or Designee- Ms. Susan Burns.
- 5.) An Aroostook County Commissioner, Commissioner Paul Adams.

The State Commission supports the local deorganization committee within the municipality during the deorganization process, and acts as a resource to the local committee. The State Commission is also responsible for determining the assets and liabilities of a deorganizing municipality , and for incorporating these provisions into the deorganization procedure. (Title 30-A Section 7205(3)(A).

There are 11 steps that are required to successfully complete a municipal deorganization, and the process takes approximately two years.

- 1.) A Municipal Petition for a town meeting with the State Commission to discuss the deorganization with municipal officials and residents.
- 2.) A Deorganization Meeting at which local voters authorize its municipal officers to pursue deorganization, and establish the Local Deorganization Committee to develop a written Deorganization Procedure for the municipality.
- 3.) Notice to the Legislature and the Fiscal Administrator from local officials that the municipality is pursuing deorganization
- 4.) The Development of the written Deorganization Procedure.
- 5.) The Submission of the Deorganization Procedure to the State Commission for review and comment.
- 6.) A Public Hearing on the proposed Deorganization Procedure within the municipality.
- 7.) A Special Town Meeting within the municipality at which the voters approve the Deorganization Procedure.
- 8.) The Submission of the approved Deorganization Procedure to the Executive Director of the Legislative Council, and to the Chair of the State Commission.
- 9.) The State Commission reviews the Deorganization Procedure approved by the voters.
- 10.) The Municipality requests the approval of the legislature in a bill, and the Legislature votes to approve the deorganization of the municipality.
- 11.) The Final Approval by the Voters of the Municipality at the next general election by secret ballot with a 2/3rds majority of 50 % of the voters who cast ballots in the last gubernatorial election.

Upon the effective date of the deorganization, the State Tax Assessor assumes the municipal authority for the duties and the affairs within the deorganized municipality, and immediately takes charge of the former municipality's assets and checkbooks. Once a municipality is deorganized, there are no longer municipal officials to administer, or to provide for municipal services to its residents. State Agencies and county governments work as partners to administer and to deliver municipal services to the townships and the deorganized municipalities within the unorganized territory. The Maine State Legislature oversees this partnership and enacts an annual operating budget that is proposed by the State Agencies and the County governments to support the delivery of municipal services within the unorganized territory.

The bill under consideration by this committee this afternoon authorizes the deorganization of the Town of Bancroft in Aroostook County, and removes the Town of Bancroft from the Region 2 career and technical education (CTE) program. The proposed effective date is July 1, 2015.

The United States 2010 Census Bureau lists the total population for the Town of Bancroft as 68. In 2011, the US Census American Fact Finder conducted an American Community Survey, and it resulted in a 5 year estimate of Selected Social Characteristics in the United States. This survey indicates that Bancroft residents live in 31 households. Six families in Bancroft have children under 18. There are 20 school age children. Fourteen children are in high school, and six children are in elementary school. Over half of Bancroft's households (17) are listed as non-family households of individuals who live alone, and 11 households in this category are composed of individuals who are over 65 years of age. The mean household income for the Town of Bancroft is \$ 20,390, while the per capita income is \$ 9, 368. Sixty percent of all the people in Bancroft have incomes below the poverty level.

The local deorganization committee for the Town of Bancroft has worked with the support of the State Commission to develop a deorganization procedure for Town Bancroft. The deorganization procedure has evolved through a series of public meetings, inquiries, and deliberations. The State Commission has reviewed the proposed deorganization procedure for the Town of Bancroft, and has found it to be complete.

Copies of Bancroft's deorganization procedure were distributed to the committee with copies of my testimony.

This concludes my testimony on LD 1280, and I will be happy to answer any committee questions.

Respectfully Submitted,

Marcia McInnis

Chair of the State Commission on Municipal Deorganization

MAR 20 2013

March 18, 2013

Ms. Marcia C. McInnis  
Fiscal Administrator of the Unorganized Territory  
Maine Department of Audit  
66 State House Station  
Augusta, Maine 04333-0066

Dear Marcia,

The Town of Bancroft held the vote on the de-organization procedure at a special town meeting on Friday, March 15<sup>th</sup>. There were 17 residents in attendance. The voters unanimously voted to approve the de-organization procedure as presented by the committee at the public hearing.

Sincerely,



Mary Ballanger  
Bancroft De-organization Committee Chair

**De-organization Procedure for Town of Bancroft  
Final Draft  
January 3, 2013**

**Section 1:**

**The Proposed effective date of De-organization is July 1, 2015.**

**Section 2:**

**The Provision of Educational Services to Resident Pupils in the Unorganized Territory of Bancroft Township.**

Education in the unorganized territory of Bancroft Township shall be provided under the direction of the Commissioner as described in Title 20-A, Chapter 119, and shall meet the general standards for elementary and secondary schooling and special education established pursuant to this Title. The provisions described below will be implemented at the time of de-organization, and are subject to future modification in response to changes in educational conditions.

**A) Elementary pupils (PK-5) whose parent(s)/legal guardian(s) is a legal resident of the unorganized territory of Bancroft Township shall be provided educational services at school facilities located in Kingman Township, Maine. Transportation services to and from the designated school will be provided under the direction of the Division of State Schools – EUT.**

**B) Pupils in grades 6-12 whose parent(s)/legal guardian(s) is a legal resident of the unorganized territory of Bancroft Township shall be provided educational services at a school located within Maine School Administrative District #30 for grades 6-8, and at Lee Academy for grades 9-12. Transportation services to and from these schools will be provided under the direction of the Division of State Schools – EUT.**

**C) Tuition to schools other than those identified in section B may be provided on behalf of resident pupils with the prior approval of the Director of State Schools – EUT. Tuition shall not exceed statutory limits, and transportation shall be the responsibility of the parent(s)/legal guardian(s). The school must be approved by the Commissioner of Education for the purpose of tuition.**

**D) Special education services will be provided to identified resident pupils as required by federal and state statutes and regulations. Special education services are administered under the direction of the Director of Special Education for the Division of State Schools – EUT.**

**Section 3:**  
**Distribution of Financial Liabilities and Assets**

**Education:**

At the time of de-organization (July 1, 2015), all financial obligations to Region II & AOS #48 will be paid. At the time of de-organization, the Town of Bancroft will no longer be a member of Vocational Region II or AOS #48.

30-A M.R.S §7205(2) requires the Commissioner of Education to develop the portion of the de-organization procedure that ensures provision of educational services for all students in the municipality for which de-organization is proposed. The Commissioner's proposal has been prepared and shared with the local committee and the commission. EUT has no legal obligation to send students to the same school administrative unit that the former Town of Bancroft did, or to fund any of the former Town of Bancroft's obligations to its former school administrative unit.

With respect to career and technical education, 20-A M.R.S. 3253-A states that a secondary student in the Unorganized Territories "may attend as a tuition student any secondary school in the state approved for tuition purposes to which he or she may gain entrance" and that EUT students are entitled to all privileges and benefits as resident students of the receiving school administrative unit. 20-A M.R.S. 3253-A (1)(2). Tuition is paid for those students according to the official tuition rate established by Section 5805, and for student enrolled in CTE programs, up to 2/3 of that amount may be charged by the receiving SAU, and up to 1/3 of that amount may be charged by the CTE region. 20-A M.R.S. 3253-A (3); 20-A §5809

The Town of Bancroft shall pay its full obligation due to Region II School of Applied Technology's Apportionment of the Approved Vocational Budget for FY 2014-2015 and for the Apportionment of its Adult Education Agreement for FY 2014-2015 before the effective date of the de-organization. These apportionments have specific schedules for payment that are sent out annually to the Region II members. Any unpaid portions of these apportionment schedules at the date of Bancroft's proposed de-organization will be escrowed from Bancroft's municipal funds, and paid to Region II.

The town will give de-organization notice to all vendors, ending any services provided by these vendors on June 30, 2015.

The current contract with PERC extends to 2018, three years beyond the effective date of the proposed de-organization. PERC has asked that the Town of Bancroft escrow the last three years of the remaining contract obligation.

The curbside collection costs for transporting waste to PERC are not included in the contract. Currently, Bancroft is in a regional association for shared curbside collection costs with other local municipalities.

There is no information in the de-organization procedure for curbside collection contracts, or for the provision of curbside services after the de-organization. In 2018, Aroostook County could negotiate curbside collection if the contract with PERC is extended for Bancroft residents.

Any unpaid property taxes will be turned over to the State of Maine, Property Tax Division.

**Section 4:  
Distribution of Tangible Assets & Liabilities**

The Town of Bancroft currently owns 2 parcels of land, town office, and the contents. Town owned property:

Parcel 1: Town owned property - Tax Map 1, Lot 16, located on the Schoolhouse Road - Location of Town Office.

Parcel 2: Tax acquired property - Tax Map 1, Lot 29-4, located on the Bancroft Road - land only - property has been published for bid.

If the vote to de-organize is affirmative, these parcels of land will be offered for sale. In addition, the Town Office and contents will be offered for sale. Proceeds will be deposited in the town's general fund. If this property is not sold prior to the date of de-organization (July 1, 2015), the land, building and contents will become property of the county of Aroostook or state of Maine and will be sold in accordance with the law or held in trust for the unorganized territory. Maine State Tax Assessor determines the distribution of assets for a de-organizing municipality.

Sand/Salt pile- If there is any remaining sand/salt at the end of the snow removal season (as of May 2015), it will be turned over to the contractor. The salt and sand pile is currently stored at the contractor's business site, not located in the Town of Bancroft.

**Section 5:  
Comprehensive Land Use Planning and Zoning**

A zoning map of the Bancroft Township will be prepared by the Land Use Regulation Commission within one year of the date of de-organization. The town will work closely with the Land Use Regulation Commission to gather the necessary data to develop an acceptable zoning map. Once the Commission has approved the zoning map, it will become the basis for the application of the Commission Land Use Regulation. It is estimated that the cost of producing the plan will be \$20,000. Prior to de-organization the Town of Bancroft will set aside this amount of money to ensure payment for these services.

**Section 6:**

**Information about the Municipality**

**A)**

Roads	Length	Repair	Plow	Gravel or Paved/Condition
Bancroft	7.8 mi	MDOT	Bancroft	Paved/Good
Kelly	3.6 mi	MDOT	Bancroft	Paved/Good
Ferry	.2 mi	MDOT	Bancroft	Paved/Good
Hinch	1 mi	Bancroft	Bancroft	Gravel/Fair
Mill	.9 mi	Bancroft	Bancroft	.4 mi Paved/Good .4 mi Gravel/Fair
Schoolhouse	.3 mi	Bancroft	Bancroft	.1 mi Paved/Good .1 mi Gravel/Fair

During the fiscal year July 1, 2011 to June 30, 2012, the Town of Bancroft spent \$52,100.00 for the snow removal and summer maintenance of the 13.8 miles. An additional \$8,536.37 was spent for salt.

**B) Population Information**

As of the April 2010 U.S. Census, the Town of Bancroft had a population of 68 men, women and children. A May 2012 town survey shows a population of 60 men, women and children.

	2010 Census Survey	2012 Town Survey
<b>Population</b>	68	60
<b>Age &lt; 5</b>	6	5
<b>5-19</b>	8	10
<b>20-25</b>	1	5
<b>26-59</b>	23	18
<b>60+</b>	30	22
<b>Households</b>	34	27

**C) Personal Income**

Information obtained from the State of Maine Economics and Demographics Data indicates that the median household income for the Town of Bancroft as of April 2000 was \$16,250.00. The median household income as of April 2010 was \$20,000.00.

**D) Property Tax Assessments**



As of April 2011 the Town of Bancroft currently has a property tax valuation of:

<b>Land</b>	<b>\$4,591,277.00</b>
<b>Buildings</b>	<b>\$2,122,800.00</b>
<b>Personal Property</b>	<b>Bancroft does not assess personal property.</b>
<b>Total Valuation</b>	<b>\$6,714,077.00</b>
<b>Homestead Tax Assessment</b>	<b>\$251,520.00</b>

There are 29 parcels of land in the tree growth program, valuation is:

<b>Softwood Acreage</b>	<b>4,339 @ \$123.00/acre</b>
<b>Mixed Wood Acreage</b>	<b>7,958 @ \$123.00/acre</b>
<b>Hardwood Acreage</b>	<b>9,345 @ \$128.00/acre</b>
<b>Total Forestland Acreage</b>	<b>21,642</b>
<b>Total Valuation</b>	<b>\$2,777,667.00</b>

Total value of all property exempted by law \$56,530.00.

**The undesignated fund balance (surplus):** Any undesignated fund balance (surplus) that we now have will be applied to the 2013 and 2014 tax commitment.

**E) Current Services and the Impact of De-organization on these Services.**

**1) Cemetery**

The Town of Bancroft currently follows rules and regulations for the cemeteries. Everything goes through the Selectmen. Upon de-organization, ownership of the Trout Brook Cemetery, located on the Bancroft Road in Weston, will be transferred to the Town of Weston. The Webber Cemetery funds will be turned over to the Town of Weston to help with the costs of maintaining this cemetery. The Bean Falls Cemetery located on the Bancroft Road in Bancroft will be maintained by the Aroostook County Commissioners. The Town of Bancroft has contacted Baskehegan Company to obtain a deed for the property that the cemetery is located on.

**2) Education: Refer to Section 2**

**3) Roads**

The Town of Bancroft currently provides summer maintenance to the Hinch Road, Schoolhouse Road and Mill Road. Snow plowing/sanding services for these roads in addition to 3.6 miles of the Kelly Road and 7.8 miles of the Bancroft Road is also provided. During the fiscal year 2011/2012, a total of \$60,636.37 was expended on maintaining town roads. The Aroostook County Commissioners will contract for maintenance and repair of roads as well as snow plowing/sanding services.

#### **4) Dumps**

The Town of Bancroft currently has a contract with Penobscot Energy Recovery Corporation (PERC) for the use of its transfer station. The Aroostook County Commissioners will contract for these services. The town will terminate this contract prior to de-organization in accordance with the contract. The current contract extends to 2018, three years beyond the effective date of the proposed de-organization. PERC has asked that the Town of Bancroft escrow the last three years of the remaining contract obligation.

The curbside collection costs for transporting waste to PERC are not included in the contract. Currently, Bancroft is in a regional association for shared curbside collection costs with other municipalities.

There is no information in the de-organization procedure for curbside collection contracts, or for the provision of curbside services after the de-organization.

#### **5) Sludge Disposal**

The Town of Bancroft currently is part owner in sludge disposal located in Haynesville. The town pays a percentage of this. As of June 2012, Bancroft had paid \$415.76. The town's cost is pro rated by houses compared to Haynesville. Bancroft will terminate any and all agreements with the owners of the sludge disposal site prior to de-organization. The Aroostook County Commissioners will contract for these services.

#### **6) Fire Protection**

The Town of Bancroft currently contracts with Reed Plantation. Upon de-organization, the Aroostook County Commissioners will contract for the service of providing structural fire protection.

#### **7) Forest Fire**

The Division of Fire Control within the Maine Department of Conservation will be responsible for fighting forest fires. The unorganized territory taxpayers reimburse the state for this service.

#### **8) Ambulance**

Currently, the Town of Bancroft is contracted with Northern Washington Southern Aroostook Ambulance Service. The Aroostook County Commissioners will contract to provide ambulance service if said service is logistically available.

#### **9) General Assistance**

The Maine Department of Human Services will appoint an agent to provide these services to the citizens of Bancroft Township.

#### **10) Voting**

Residents currently vote at the Bancroft Town Office. Upon de-organization, residents will consult with Aroostook County to determination the voting place for their township.

**11) Excise Tax**

Excise taxes are currently collected by the town. Upon de-organization, the State Tax Assessor will assign a town where residents will pay excise tax.

**12) Animal Control**

Animal control is currently provided by Sherry Ryan. Upon de-organization, residents will contact the Animal Welfare Program of the Maine Department of Agriculture for assistance.

**13) Plumbing Inspector**

The services of the Plumbing Inspector are currently provided by Michael Noble. Upon Bancroft becoming Bancroft Township and part of the unorganized territory, the Maine Department of Health and Human services will designate a plumbing inspector.

**14) E-911**

E-911 naming and numbering of the town roads has been completed; the Aroostook County Sheriff's office will answer emergency calls. All paperwork regarding E-911 system will be turned over to the Aroostook County Unorganized Territories.

**15) Taxes**

Upon de-organization, the taxpayers of the town will be responsible for the operation of the town from January 1, 2015 until June 30, 2015. They also will be responsible for the payment of six months county tax for the year. These funds will come from the undesignated surplus and property taxes if necessary. The town will give de-organization notification to all vendors; ensure payment of all vendors, payment of all taxes (such as employees withholding and related W-2 forms) and reporting of taxes. In addition, continued maintenance of tax records (property record cards, lien process and map updates) will be performed right up to July 1, 2015.

The Town of Bancroft has contracted with James Sewall Company for the digitizing of the town tax maps. Money has been set aside for this and it will be completed before the date of de-organization.

**16) Audit**

Upon de-organization, the Selectmen of Bancroft will be responsible for arranging for and payment of any and all audits of the books prior to the actual de-organization date of July 1, 2015.

**17) Vital Records**

Upon de-organization, all vital records (birth certificates, death certificates, marriage licenses, etc.) will be obtained from the Maine Department of Health and Human Services in Augusta. In some instances, records can be accessed through the internet.

**18) Town Records**

All records associated with the Town of Bancroft are to be turned over to the State Tax Assessor once the town has de-organized. Once the State Tax Assessor no longer has any need for the records, they will be forwarded to the State Archives.

**19) Veteran's Monument**

The care and maintenance of the Veteran's Monument will be turned over to the Aroostook County Commissioners along with the Veteran's CD.

**F) Information about the Municipality/ Status of Leadership**

Following is a list of the Municipal officers and officials as of June 30, 2012:

<b>Selectman</b>	Gary Ballanger
<b>Selectman</b>	Ralph Staples
<b>Town Clerk/Treasurer/ Tax Collector</b>	Mary Irish
<b>Animal Control Officer</b>	Sherry Ryan
<b>Plumbing Inspector/Code Enforcement Officer/ Tax Assessor</b>	Mike Noble
<b>Representative to the Legislature</b>	State Senator, Roger Sherman
<b>House of Representatives</b>	Ricky Long

Should the Town of Bancroft become an unorganized township, the current elected and appointed municipal positions and their associated duties would cease to exist and all duties would instead be administered by the State of Maine Unorganized Territory and the Aroostook County Commissioners.

**Section 7**

**Fiscal Impact Assessment**

**A)** The principal reasons the inhabitants of the Town of Bancroft wish to de-organize are:

- 1) There is a lack of qualified people interested in holding public office.
- 2) 85% of the Town of Bancroft's taxable acreage is in tree growth, putting the burden on the homeowners.
- 3) The rising costs of tuition and special education.

**B)** For an assessment of local government services, refer back to **Section 6 E.**

**C)** For an inventory of the municipality owned assets and a complete accounting of the municipality's debt and financial plan for retiring that debt, refer back to **Section 4, Distribution of Tangible Assets and Liabilities.**

D) At the time of de-organization, there will be 8 elementary and secondary age children who would be attending East Grand School in Danforth. Therefore there would be an impact on the budgets of the towns in SAD #14. Bancroft is a member of AOS #48. AOS #48 is made up of four SAU's (SAD#14, SAD#70, Orient, and Bancroft) that share only system administration costs among the four members. According to their reorganization plan, that share of administrative costs is based on the average of the most recent three years of resident student count. Bancroft's share of the October 1, 2012 student count is 1.4%. In FY2012 the actual assessment to Bancroft by AOS #48 was:

\$3,216.61 for Board/Superintendent/Business Office

\$1,512.39 for Special Education assigned costs

\$4,727.00 Total or 1.08% of the total AOS expenditures for FY2012 of

\$437,663.00

The impact on AOS #48 would be very minimal if Bancroft were to de-organize and shift the responsibility for the education of those students to the EUT.

Note: According to the AOS #48 reorganization plan, withdrawal of Bancroft will require a referendum approval by the voters in Bancroft at least 60 days prior to the end of the fiscal year before the effective date of the withdrawal. No other withdrawal requirements apply.

#### CTE Region II impacts

Per the Cooperative Agreement for Region II, assessment to each member School Administrative Unit (SAU) for the annual budget is determined by:

##### Section D. Cost Sharing

2. The sharing of operating and capital outlay non-construction costs of the Region CTE program among members shall be on the basis of the total average number of students enrolled in K-12 from each member unit on October 1<sup>st</sup> and April 1<sup>st</sup> of the year previous to the annual budget meeting.

Region II currently has six member SAU's and a total of approximately 2600 K-12 students. Based on April/October 2011 resident students, Bancroft's share is .2707% for the current FY2012-13 school year. Attached are the budget and assessments for each member SAU. Bancroft's share is \$3,382.81 of the Region's \$1,249,833.94 budget...


If Bancroft de-organizes and the EUT becomes responsible for the education of those students, CTE programs would be available to students and the EUT would be responsible for the tuition payments required in statute. Rather than the current assessment method (regardless of attendance) the Region would only receive tuition for attending students.


The impact on Region II would be very minimal if Bancroft were to de-organize and shift responsibility for the education of those students to the EUT.

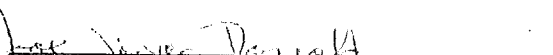
Note: As noted above, removing Bancroft from Region II will require legislative action. Membership in CTE Regions is in statute.

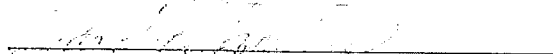
E) If the Town of Bancroft de-organizes and joins the Unorganized Territory Tax District, the additional cost for education in fiscal year 2014/2015 is projected to be \$110,500.00 plus special education costs. There will also be additional costs for municipal type services and county taxes associated with the de-organization. Property taxes are expected to increase for the taxpayers of the Unorganized Territory Tax District.


F) We looked into contracting services with Reed Plantation and Danforth, but this would be no financial benefit to the Town of Bancroft.

  
Ralph Staples, Selectman

  
Mary Ballanger, School Board Member

  
Joe MacDonald, Elected Committee Member

  
David Fitzpatrick, Elected Committee Member

  
Ralph Jones, Elected Committee Member