

# **TOWN OF SANGERVILLE**

*Incorporated 1814*

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**Lois A. Jones,  
Town Manager  
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November 8, 2018

RE: Joanne Cabot, Selectman

Sangerville Town Clerk, Sangerville Residents and Fellow Municipal Selectmen:

This letter is to notify you that at the November 7, 2018 Board of Selectmen's meeting, it was motioned, seconded, and approved that Joanne Cabot will abstain from any HAD#4 matters. Due to this action by the Sangerville Board of Selectmen, Joanne Cabot's votes and signatures on any previous action, will be void and/or removed.

For this reason, Joanne Cabot's signature on the letter from the Sangerville Board of Selectmen, from the October 23, 2018 meeting, that was distributed via email to other HAD#4 member towns' Boards of Selectmen, is to be redacted.

Further, this letter is to notify the Sangerville Town Clerk for inclusion in the clerk's records, that any vote or action by Joanne Cabot on any HAD#4 matters, is to be removed and/or excluded from inclusion.

Respectfully,



Lois A. Jones  
Town Manager

To the Towns of:

Abbot

Atkinson

Bradford

Cambridge

Dexter

Dover-Foxcroft

Guilford

Milo

Monson

Parkman

Sebec

Willimantic

The purpose of this letter is to request that you, as the twelve other towns that comprise Hospital Administrative District 4, will urge your HAD4 Board Members to table a vote scheduled for Wednesday, October 24<sup>th</sup> regarding the proposed merger of HAD4, d/b/a Mayo Regional Hospital, with EMHS, now known as Northern Lights Health.

We, as the Sangerville Selectmen, have additional questions and a number of concerns about this proposed merger, what is being taken and what is not being committed to in return. We feel that we have been asked to sign a letter of support without full disclosure of the facts of what we are being asked to *support*.

At the October 17, 2018 meeting of the Sangerville Selectmen, we had the opportunity to meet with Mayo's CEO, CFO, Chairman of the Board, executive assistant and the representative for our town. Unfortunately, we found the CEO and Chair of the Board to be somewhat combative while answering our thoughtful and detailed questions. We, as representatives of the community, were merely doing our job to glean as much information as possible about the process and proposed merger. At this time we have no intention of signing a letter of support for the merger. Marie Vienneau, CEO of Mayo Hospital, assured us that they could and would plan to proceed with or without our support.

We have been informed that the HAD4 Board of Directors will vote on an agreement with Northern Lights Health to begin the process of a merger on Wednesday, October 24, 2018. From what we understand, this "first" vote is what will set the wheels of a merger in motion and that our function and power as members of HAD4 will be altered, all without our consent. Adding to our concern is that Mayo and EMHS are unwilling to let us to see the proposal that will be voted on. In fact, our elected representative has been cautioned that he is not allowed to share much of the information with the very constituents that he represents.

We, as representatives of Sangerville, have a right and an obligation to fully understand what will happen to “our” forty-five year old Hospital Administrative District. We are hopeful that you, as representatives of the towns that make up the hospital administrative district will demand the vote scheduled for October 24th be tabled so that we, as a whole, as an administrative district, can get satisfactory answers to our questions and acceptable responses to our concerns regarding the proposed merger.

Furthermore, the HAD4 Charter, the framework that was created by the Maine State Legislature in 1973, and which governs HAD4, would HAVE to be amended by emergency legislation in order for a merger to take place. The current Charter (posted on Sangerville’s webpage – Mayo tab) offers very specific protections to each of the municipalities; in Sangerville’s case, a vote of the town’s citizens for a change of this magnitude would be required. As of this date, we have not been allowed to even see what the proposed amendments to the Charter are.

We are aware that in some instances, town leadership had no understanding as to the significance of the action they were being encouraged to support. To illustrate, in September, the Sangerville Selectmen received a letter from the Mayo Board of Directors seeking a letter of support for the proposed “merger”. Their document had some compelling graphs as well as a brief overview of some of the many challenges a rural hospital like Mayo must bear. Near the end of the document, it was noted:

*“another aspect for the HAD communities to carefully consider is that the merger with EMHS will effectively relieve the community of its debt obligation to the HAD, as well as the risk of future taxation. Currently, for the community of Sangerville, the debt is \$459,510 as of 12/31/17.”*

It seems that the highlighting of the \$460,000 debt may have been an attempt to persuade our support. While it technically is true that Sangerville’s portion of the HAD4 debt is \$460,000, even basic accounting principles would require that we need to offset debts with assets in order to get an accurate understanding of our financial situation.

In truth Sangerville’s proportional share of the HAD4 is nearly \$1.8 million in net equity.

The impression was created that if we support the merger EMHS was going to forgive our \$460,000 in debt when the reality is that we’re being asked to support the surrendering of \$1.8 million in equity.

This misrepresentation perhaps accidental was repeated in each of the thirteen municipalities.

For larger towns, Dexter, Dover and Guilford, the ratios are the same, the numbers are just much larger. Dexter's "debt" was a large scary number when in truth, unbeknownst to the council, they are being asked to surrender over \$5 million dollars in assets to a plan that they are not allowed to review. No wonder they signed the letter of support.

We encourage you to reach out to any one of us for further discussion.

\*As of the time of this meeting we have been told that a Maine Superior Court judge has granted a temporary restraining order blocking tomorrow's HAD4 vote.

Respectfully,



Mike Wark, Chairman  
207-841-1338



Dale Gray  
207-343-2716



cc: HAD4 Board of Directors