

GILFORD BUDGET COMMITTEE MINUTES

December 2, 2010

6:30 p.m.

Town Hall

Members Present: Dick Hickok, Dale Dormody, Kevin Roy, Phyllis Corrigan, Fred Butler, Dave Horvath, Sue Greene, Kurt Webber, Gus Benavides and Terry Stewart

Members Absent: Skip Murphy, Pat Labonte

Also in attendance were Superintendent Paul DeMinico; Asst. Superintendent for Business Scott Isabelle; School Board members Sue Allen and Rae Mello-Andrews; School Principals Jack Billings, Marcia Ross and Ken Wiswell; Director of Student Services Esther Kennedy; Technology Director Brenda McGee; and Building and Grounds Supervisor Tim Bartlett. Also in attendance was Executive Secretary Sandra Bailey.

The Budget Committee recited the Pledge of Allegiance.

Chairman Hickok welcomed the Committee to this evening's meeting and turned it over to Dr. DeMinico, who provided a PowerPoint presentation on the proposed budget. He began by stating that the proposed 2011-12 budget is 3.5% above the current year, with an increase of \$784,124. He also compared the proposed budget to the default budget and highlighted staff reductions.

Some of the key notables with the proposed budget are:

- Discretionary accounts are level funded or below
- There will be no program reductions
- Full-time kindergarten with cost savings
- CBA salaries – 3%; Support and Administrative salaries – 2%

Dr. DeMinico pointed out that under the goals set for the 2011-12 school year, the Long Range Strategic Plan would be renewed when the District's new superintendent is in place. In addition, he stated that advancements in math and literacy are the top goals for the 2011-12 year. Extensive discussion followed regarding enrollment and class ratios to policy. Dr. DeMinico noted that the 2010-11 enrollment projection vs. the actual figure was only off by two students, although the allocation to each school did vary.

A warrant article will be included on the 2011 ballot to replace the GES boilers, at a cost of approximately \$195,000. Of this amount, \$50,000 will be withdrawn from a capital reserve fund and the \$145,000 will be appropriated through taxation.

Major areas of increase within the proposed budget under non-discretionary costs are

health insurance, special education, CBA salary increases, NH Retirement rates, vocational education and electricity at GMHS, totaling \$909,500. Dr. DeMinico further clarified that health insurance experienced a reduction of benefit, which totals \$103,800. These reductions are the result of higher co-payments and prescription costs. At the request of Selectman Benavides, Scott Isabelle provided a detailed explanation of the District's available health insurance plans and their history of co-payments and prescription costs. These benefit reductions only affect the Administrative and Support Staff.

Dr. DeMinico highlighted the "Jump Start" program, which is available for students transitioning from eighth grade to high school. He also praised the old library building and expressed appreciation to the Town for allowing the SAU office to relocate there.

Discussion ensued regarding the dropout issue and the potential steps taken by the District to allow students an opportunity to utilize alternative programs, where traditional classroom settings have not been effective. He stated that there are discipline policies in place, also. He cited the success of the Carye Program (Meadows) in providing a non-traditional learning environment.

Selectman Benavides inquired how many teaching positions have been reduced in the 2011-12 budget, to which Dr. DeMinico replied it is one, but they have been making reductions over the past few years. Terry Stewart inquired about the source of the money for renovations to the old library that took place in 2010. Dr. DeMinico replied that this was funded out of the regular budget.

Dave Horvath asked for historical information on staff and salaries, which Scott Isabelle stated he would provide for him. Dave Horvath then asked what the District is doing to push back costs at the State level. Dr. DeMinico replied that they are members of the NH School Boards Association, who advocate for school districts in the legislature, with the Commissioner of Education and the Governor.

Further discussion ensued regarding the Collective Bargaining Unit and the effect of the "Evergreen Clause", retirement age and Gilmanton enrollment. Dr. DeMinico praised having the Gilmanton students comprise approximately one-third of the total enrollment, enabling Gilford to have a comprehensive high school.

Brief discussion followed regarding factors that affect enrollment, including the rental of seasonal (summer) properties during the school year and many families adjusting their living situations due to the state of the economy. Dave Horvath then asked about the sharing of resources between the School District and the Town, to which Dr. DeMinico replied there is excellent sharing between the two entities.

Dale Dormody inquired about what potential program reductions could have been made. Dr. DeMinico replied that reductions could have been made in sports and music. He further pointed out that the Family and Consumer Science program was eliminated upon the retirement of its teacher.

Selectman Benavides asked Dr. DeMinico if the School Board addresses the reasons why students choose to attend schools in other communities. Dr. DeMinico replied that exit interviews are conducted when a student leaves and the key reasons he has seen are: religious reasons, better college opportunities when attending private school, sports opportunities and smaller class sizes.

At this time, Chairman Hickok asked to begin a review of the District-wide expenses, or "10" accounts. Terry Stewart asked for consideration of no stipends for School Board members, since the Board of Selectmen will not be accepting stipends in 2011.

Chairman Hickok then advised Committee members that during the Administrative Sub-Committee meeting, discussion was held on the possibility of foregoing the Superintendent's position for a period of one year. Scott Isabelle provided an explanation of the handout he provided for Committee members, including several references in the RSA's to "the superintendent shall".

When asked about the proposed salary for a new superintendent, Dr. DeMinico stated that the position has been advertised for the \$110,000 - \$125,000 range. Scott Isabelle pointed out that recruiting is more difficult because of the inability for homes to sell during the poor economy and the fact that spouses of candidates are not able to find employment in the area due to the poor economy. In addition, there are several open superintendent positions within the State, which creates more competition. Sue Allen stated that if the School Board cannot find a suitable candidate, that an interim superintendent would be hired.

Extensive discussion ensued regarding the hiring of a new superintendent. Dr. DeMinico cautioned Committee members that if a new superintendent is not funded that accommodations should be made to increase the budget for legal fees. Terry Stewart stated that he thinks it is important to look into not hiring a superintendent, if only for a one-year period. Chairman Hickok stated that Skip Murphy knows an individual who would like to speak to the Budget Committee regarding the legal aspects and state laws that pertain to the superintendent's position.

Dr. DeMinico stated that the position of superintendent provides leadership, visioning and accountability. Chairman Hickok agreed that the District does need a leader but he is not pleased with a 3.5% increase in the budget. Terry Stewart reiterated his position to at least explore the option of having no superintendent.

Scott Isabelle then provided an overview of the contradiction in laws regarding having a superintendent. The Attorney General's Office and Department of Education do not support the concept of no superintendent. Sue Allen further stated that the concept of not having a superintendent has been looked at in the past. She does not agree with the concept of "taking a year off", since the District has made great strides and this concept would hurt the students. Kurt Webber agreed, adding that the presence of a superintendent brings stability to the District.

Chairman Hickok asked Committee members about having someone from an outside source to provide a presentation on not having a superintendent. Terry Stewart moved to have this expert come to a meeting to speak to the Committee about an alternative to a superintendent. Dave Horvath seconded. Dale Dormody stated that he would like to have more information about this individual before he would agree to him coming to a meeting. He would like to know the qualifications and background of the individual first. After more discussion, the motions were withdrawn and the matter will be brought up again when Skip Murphy is in attendance.

Chairman Hickok stated that he is still concerned with the economic environment and knows that the Board of Selectmen made budget cuts with a "serious knife", yet the School District has \$80,000 in pay raises. Kurt Webber responded that this overall budget increase has come after two years of budget decreases and the Board has made cuts. He further stated that insurance and retirement costs cannot be controlled by the District.

Extensive discussion ensued regarding pay raises within the District. Selectman Benavides asked if all employees are receiving pay raises. Scott Isabelle replied that the 3% pay increases are level funded and the 2% pay increases are down this year. This is done in an effort to avoid spikes in pay rates. All employees are receiving pay increases.

Sue Greene stated that in light of the action of the Board of Selectmen that the School Board should consider eliminating pay increases, as well as their own stipends. Dr. DeMinico replied that the pay increases were kept in place because of employee concessions with health insurance costs.

Prompted by a question from Fred Butler, Dr. DeMinico provided an explanation of the Superintendent's role in the collective bargaining process.

The Committee then briefly discussed the proposed purchase of a new tractor for the School District. Overall, the Committee members were in agreement that this piece of equipment was needed. Scott Isabelle then provided a brief explanation of the revised default budget, which prompted discussion on the need for consistency when preparing the default budget from year to year.

Food Service and Federal Projects were also briefly reviewed. Scott Isabelle also advised Committee members that a warrant article will be forthcoming for the replacement of the GES boilers. Tim Bartlett provided an explanation of why it would be most cost effective and efficient to have all of the boilers replaced at the same time.

Gus Benavides made a motion, seconded by Kevin Roy, to approve the minutes of the November 18th meeting. Motion passed 10 to 0.

Kevin Roy made a motion, seconded by Gus Benavides, to adjourn at 8:52 p.m. The

motion passed unanimously.

Respectfully submitted,

Sandra Bailey
Executive Secretary