

GILFORD BUDGET COMMITTEE MINUTES
December 16, 2010
6:30 p.m.
Gilford Town Hall

Members Present: Dick Hickok, Dale Dormody, Kevin Roy, Fred Butler, Dave Horvath, Sue Greene, Paul Blandford, Skip Murphy, Pat Labonte, Gus Benavides, Phyllis Corrigan and Terry Stewart

Members Absent: None

Guest: Jorge Mesa-Tejada

Also in attendance were Superintendent Paul DeMinico; Asst. Superintendent for Business Scott Isabelle; School Board members Kurt Webber, Rae Mello-Andrews, and Sue Allen; Gilford Elementary School Principal Jack Billings; Gilford Middle School Principal Marcia Ross; Director of Student Services Esther Kennedy; Building and Grounds Supervisor Tim Bartlett; Gilford High School Principal Ken Wiswell; and Technology Director Brenda McGee. 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 stated that they would be reviewing the Gilford Elementary School budget, followed by a presentation and discussion by guest speaker Jorge Mesa-Tejada. He stated that members of the public would only be able to make comments before the Budget Committee begins their deliberations, unless they are specifically asked a question by a member of the Committee.

Phyllis Corrigan made a presentation on behalf of the Elementary School sub-committee, which was comprised of herself, Skip Murphy and Dave Horvath. She further stated that Dave Horvath was not available to attend the sub-committee meeting. The Elementary School's proposed budget for 2011-2012 represents an increase of \$118,902. This increase is largely comprised of 3% salary increases for contracted employees and 2% salary increases for support staff, totaling 93% of the total proposed increase. As is the case with the other schools, transportation costs have also increased due to a contractual increase.

Discussion ensued regarding full day kindergarten. Elementary School Principal Jack Billings stated that this change represents a budget decrease since it eliminates approximately \$22,000 in transportation costs and results in no staff changes. Skip Murphy stated that he is concerned with the possibility of this program incurring increased costs in the future. Paul Blandford replied that the School Board also looked at this concern.

Dr. Billings provided a detailed explanation of the teaching structure he has implemented in the Elementary School that allows students to flex into small groups. This shift in structure provides for additional instruction at the kindergarten level, but staff will not be pulled away from other grades. Dave Horvath stated the full-day kindergarten has already been voted down by the Gilford voters. Dr. Billings replied that at that time, the vote called for additional staffing and expense, where this full-day program will result in a savings. He further stated that before proposing full-day kindergarten, he met with various groups and parents and educators and the thinks there is now a shift in the sentiment of the residents of Gilford.

At this time, Sue Greene provided the vote count (Yes - 497, No – 1534) from the 2005 School District meeting where full-day kindergarten was not approved. Paul Blandford replied that there were other factors at that time, besides the increased cost of the program. In addition, voters had just approved a bond for the Middle School the previous year. Dave Horvath continued to express concern that this proposal is circumventing the will of the people. Dr. Billings added that, at this time, the Elementary School has no issues with space and all staff for the program is pre-existing. He further stated that after having this program in place for 30 months, he believes that a reduction will be seen in Special Education referrals and students.

Phyllis Corrigan moved to recommend \$2,554,059 for the Gilford Elementary School budget. Skip Murphy seconded. Dave Horvath asked Dr. Billings for an explanation of increases in several budget line items, including supplies, textbooks and printing. A vote on the motion indicated a vote of 12-0. Motion carried.

Chairman Hickok stated that the Committee would now move onto the portion of the meeting with guest speaker Jorge Mesa-Tejada. He reiterated that once the Committee begins their deliberations, no public comment would be permitted. At this time, Alida Millham stated that she represents the “ghost of school boards past.” The subject of the superintendent is not a new one and she is concerned with the Budget Committee being involved in School Board policy. She further cautioned that sometimes unintended consequences result when not enough research is done on a subject. Chairman Hickok responded that they are not involved in policy. Rather, some of the members think that the 3.5% increase is too high.

Skip Murphy then introduced Jorge Mesa-Tejada to the Budget Committee. Mr. Mesa-Tejada has vast experience at the local (Hampstead, NH) level and State level in the field of education. In addition, he wrote RSA 194C, has been involved in the design of municipal buildings and schools, been a member of the Hampstead Budget Committee and testified before the House and Senate on educational matters.

Mr. Mesa-Tejada stated that he is not an expert, but has spent many years learning about school government in NH. He stated that it is his understanding that the Budget Committee members would like the answers to questions regarding the ability of the District to function without a superintendent. He stated that it is possible for a District to operate without a superintendent and that authority is given in RSA 194C:3. He further stated that since Gilford is a single district, they have the option of not having a superintendent. Details of how to implement this are found in the handouts that he passed out tonight.

Mr. Mesa-Tejada also provided a brief history of how supervisory unions once grouped towns according to geography, to lower administrative costs. Legislation in the 1970's and 1980's allowed districts to withdraw from these supervisory unions and many of their functions were disbursed. The primary function of the superintendent's office is an administrative business one, which supports education. He also pointed out that the SAU and School District are separate entities, with the SAU having no ownership of property. An SAU is governed by a Board representing all of its towns. Mr. Mesa-Tejada further stated that with today's data networks, there is no need for hard copies, reducing the workload of the superintendent's office.

Mr. Mesa-Tejada stated that the business administration function of the School District could be brought to the classroom level, creating a cost center for each grade. He also made mention of a site-based management plan that is waiting to be implemented. He contradicted the information provided from Dr. DeMinico at the last meeting that came from Judy Fillion of the State Department of Education.

Skip Murphy commented that he has seen this type of management in his profession, and it is known as self-directed teams. Mr. Mesa-Tejada added that this type of management promotes self-sufficiency. Terry Stewart inquired about the impact of accreditation with this type of management. Mr. Mesa-Tejada responded that accreditation is not affected and that further, the accreditation from NEASC provides help for students looking to attend top colleges. Terry Stewart further asked about problems with legal issues and discipline issues. Mr. Mesa-Tejada responded that these issues have to move up the chain regardless of whether or not there is a superintendent. Chairman Hickok pointed out that the 1997 Report of the Gilford SAU Planning Committee provides for the Town Finance Office to handle the accounting aspects of the School District. Mr. Mesa-Tejada stated that this sharing of costs is practical and there is software available for the appropriate charts of account.

Skip Murphy stated that although he and Mr. Mesa-Tejada are friends, he has not discussed anything with him prior to this meeting. He asked if the elimination of the superintendent's position was legal and if it would require additional involvement of the School Board. Mr. Mesa-Tejada responded yes to both questions and provided a brief explanation of the "before & after" organizational charts that were included in the 1997 Report. Terry Stewart added that when this vote was taken, the voters chose to run the District without a superintendent, and the School Board still does not run it that way.

Kevin Roy asked Mr. Mesa-Tejada if he agreed with the Smith/Kenney Report, to which he replied yes. Kevin Roy further asked how this proposal could be implemented since it is based on having assistant principals in all schools and, at this time, Gilford Elementary School does not have an assistant principal. He questioned what the District would be gaining if they need to add an assistant principal, rather than have a superintendent.

Kevin Roy asked if anyone else has implemented this type of management program and when the response was "no", he expressed concern with this being a gamble. Skip Murphy commented that Dr. Billings indicated during their sub-committee meeting that he was more comfortable without having an assistant principal. He also stated that with the highly qualified people that are employed in Gilford they should try using the non-superintendent model.

Dale Dormody further questioned why this type of model is not being utilized by any other school district. Mr. Mesa-Tejada replied that the feasibility for this model is determined by a committee of superintendents, who do not support it. Dale Dormody further stated that the School Board and Administration have taken the position that this type of model will not work, as well as Judy Fillion from the State Department of Education. He asked Mr. Mesa-Tejada if there is anyone who can balance out this position, to which Mr. Mesa-Tejada replied that Districts are lacking the political will to make this type of change happen.

Terry Stewart stated that if he understands correctly, this model would not create a huge added load to principals. Mr. Mesa-Tejada replied yes. Dave Horvath questioned who assists Dr. Billings if he does not have an assistant principal. Dr. Billings replied that he uses a collaborative model, where various tasks are delegated to other staff members, such as school nurse, guidance counselors and team leaders. However, he further stated that he is currently maxed out and would not be able to assume responsibilities for discipline appeals, grants, etc. In response to Skip Murphy's earlier comment regarding not having an assistant principal, he clarified that this was the case because Gilford did have a superintendent.

Dave Horvath stated that with a declining student population, he thinks that the demand for

services should be decreasing. Mr. Mesa-Tejada added that the non-superintendent model requires a change in mindset and a savings of time will be realized.

Resident Joe Wernig, who stated that he is both a parent and educator, commented on the highly qualified teachers and administrators in Gilford, resulting in an incredible school system. He does not think that teachers can take on additional duties. He further stated that he does not want his children to be "guinea pigs" with this new model. In addition, having a School District without a superintendent will affect employees and real estate values. Mr. Wernig also encouraged Budget Committee members to visit the schools and see how well the schools are functioning.

School Board Chair Kurt Webber reiterated that this model has not been adopted in any other district and it was the unanimous decision of the School Board to not "roll the dice and see what happens". The Board intends to continue their search and hire a new superintendent. Resident Mark Corry stated that the Budget Committee is not supposed to be setting policy, but it appears that is what they are trying to do. Chairman Hickok replied that the Budget Committee is not setting policy, but wanted to hear the other side of the argument on whether or not a superintendent is necessary.

Brief discussion ensued regarding the fact that a \$175,000 budget decrease is meant for the position of superintendent of schools. Chairman Hickok stated that this represents 1% of the total budget, which is an insignificant amount.

Resident and High School Career Counselor Deb Laliberte asked Budget Committee members to remember why they were elected and leave their baggage at the door. Chairman Hickok replied that he thinks the Town is fortunate to have a wide cross section of residents serving on the Committee. Terry Stewart stated that he continues to be concerned that the proposed budget represents more than is actually needed. Skip Murphy reiterated that the District employ`s highly qualified people and he thinks the 3.5% budget increase is too high and needs to be reduced.

Paul Blandford moved to recommend \$8,598,258 for the District Wide/Administration budget. Phyllis Corrigan seconded. Chairman Hickok stated that he thinks the School District needs management and the Town is not in a position to assume the accounting functions of the School District. He further commented that the Town was able to provide some pay increases because of a zero increase budget. Paul Blandford reiterated his previously stated position that if the School District were able to utilize surplus funds they could also produce a zero increase budget.

Terry Stewart moved to amend the budget to \$8,498,258, which reflects a reduction of \$100,000. This led to additional discussion, where Dale Dormody stated that it has not been determined where the \$100,000 reduction would take place. He provided an alternate recommendation that the pay increase for Administrators and School Board stipends be eliminated. Scott Isabelle stated that the MS-7 requires that any budget cuts be earmarked to specific line items.

Extensive discussion ensued on what budget cuts could be made and possible ramifications. Paul Blandford again cautioned members to not compare the Town and School District budgets to one another. Skip Murphy responded that the Budget Committee represents the taxpayers and he thinks the District's budget is too high. Terry Stewart suggested that a superintendent could be paid less than the \$125,000 budget amount. He further stated that at a previous

meeting, the School Board stated that they would be lucky to find suitable candidates, given the state of the economy and competition from other districts. He added that he learned at the Selectmen's meeting last night that the School Board has received interest from many candidates. Paul Blandford stated that the position is advertised at a range of \$110,000 - \$125,000.

A vote on the motion to amend to \$8,498,258 showed 6-Yes and 6-No. Motion did not prevail.

Returning to the original motion, Dale Dormody moved to amend the budget to \$8,575,258, which reflects a reduction of \$5,500 for School Board stipends and \$17,500 for Administrative pay increases, totaling \$23,000. Fred Butler seconded. A vote on the motion showed 8-Yes and 4-No. Motion carried.

Phyllis Corrigan made a motion, seconded by Kevin Roy, to approve the minutes of the December 14th meeting. Motion passed 12 to 0.

Paul Blandford made a motion, seconded by Dale Dormody, to adjourn at 9:03 p.m. The motion passed unanimously.

Respectfully submitted,

Sandra Bailey
Executive Secretary