

1 **SHAKER REGIONAL SCHOOL BOARD**

2 Public Hearing Minutes

3 February 4, 2009

4
5
6 IN ATTENDANCE:

7 **School Board:** Sumner Dole, Preston Tuthill, Bill Hart, Diane O’Hara, Carolyn French-
8 Witham, Roy Roberts

9 **Administration:** Superintendent Michael Cozort; Business Administrator Debbie Gay

10 **Regrets:** Tom Goulette

11
12 Chairman Bill Hart reconvened the Budget Hearing at 6:04 p.m. and introduced the
13 members of the Board and gave an overview of how the hearing would run. The Board
14 reviewed and explained each proposed Warrant Article, answering questions as they
15 arose. A handout containing the Warrant Articles, explanations and budget breakdown
16 was available to all attendees.

17
18 Bill Hart reviewed Article I, and stated that articles II and III would be replaced with the
19 following article:

20
21 *“Shall the School District accept the provisions of RSA 198:20-b providing that*
22 *any school district at an annual meeting may adopt an article authorizing*
23 *indefinitely, until specific rescission of such authority, the school board to apply*
24 *for, accept and expend, without further action by the school district, unanticipated*
25 *funds from a state, federal or other governmental unit or a private source which*
26 *becomes available during the fiscal year?”*

27
28 Bill Hart explained that passage of this article would be necessary in order for the District
29 to accept any funding that may result from the federal stimulus package that is being
30 proposed by Congress.

31
32 Diane O’Hara reviewed Article IV on the proposed District budget, explaining that the
33 proposed increase (\$156,861) over the current year was less than 1% (0.91%). Ms.
34 O’Hara reviewed the budget areas that held the major increases, and identified items that
35 were contractual obligations to the District. She explained the new proposed positions
36 within the District, and stated that the Board was working to keep the budget low without
37 compromising the quality of education that could be provided.

38
39 Sumner Dole reviewed Articles V and VI regarding the collective bargaining agreement.
40 He referenced page 35 of the Proposed Budget handout, and highlighted the key points of
41 the collective bargaining agreement. He explained the budgetary increases (Year 1 -
42 \$370,434 and Year 2 - \$283,763) associated with the article.

43
44 Pret Tuthill reviewed Article VII to create an expendable trust to be called the Energy
45 Fund, which would help pay for unexpected increases associated with fuel oil, diesel,
46 gasoline and electricity. Mr. Tuthill explained the reasoning for the article, citing the

1 volatility in the oil industry. This article would be funded by District surplus at the end
2 of each fiscal year.

3
4 Pret Tuthill read Article VIII regarding the placement of funds into the School Facilities
5 and Grounds Maintenance Expendable Trust Fund. Mr. Tuthill reviewed the items that
6 were purchased by this fund in the past, which included new roofs for the school
7 buildings.

8
9 Donna Cilley questioned the formula for calculating the tax rate information. The Board
10 explained that the rate is taken from information provided by the Department of Revenue
11 Administration (DRA), because the tax information from Belmont and Canterbury is not
12 always available. Ms. Cilley stated that the Town of Belmont is saying that home
13 valuations will be dropping by 7%, and she questioned how the Board could create a
14 budget without considering that. Pret Tuthill explained that although the value of our
15 homes may drop, the total tax bill for each resident should remain the same because
16 otherwise the Town would not be able to raise the appropriate funds necessary to provide
17 the town budget.

18
19 Dr. Jim Pilliod asked how the collective bargaining agreement for Shaker Regional
20 matched that of other neighboring districts. Sumner Dole explained how the retirement
21 system worked along with the tracks available to teachers. He stated that the agreement
22 would result in an increase of \$232,000 to the budget, because items such as health
23 insurance and retirement were already included in the budget.

24
25 Bill Hart recessed the hearing at 6:25 p.m. to allow members of the audience to review
26 the proposed budget and formulate questions for the Board.

27
28 The hearing reconvened at 6:40 p.m.

29
30 David Morse had numerous questions for the Board. He asked if the net tax rate would
31 include the total from the collective bargaining agreement, and the Board stated that it
32 was included. Mr. Morse requested clarification on the calculations for several figures
33 within the budget, and asked for the retirement rates for staff. Debbie Gay responded that
34 the rate for teachers would increase from 5.8% to 6.96%, and from 8.74% to 9.09% for
35 support staff members, explaining that this does not include all support staff because
36 there is a large portion of staff that do not fulfill the minimal requirements to earn
37 retirement. Ms. Gay agreed to email additional information regarding state contributes to
38 Mr. Morse.

39
40 Mr. Morse stated that area newspapers were reporting a drop in student enrollment of 7%,
41 and he invited the Board's comments on this. Mike Cozort stated that enrollment
42 throughout all grade levels was down by 60 students from the previous year. With the
43 decrease in students being distributed through all grade levels, there was minimal effect
44 on the budget for each grade level, but should the numbers continue to decline at certain
45 levels, the Board would entertain the idea of reducing staff in these areas. Mr. Morse
46 questioned the number of aides being proposed at the elementary school level, stating that

1 a 1:1 ratio was rather intense. The Board explained that in order for the District to be in
2 compliance with state and federal regulations, the one-to-one aides were necessary for the
3 special education program. Mr. Morse discussed several other aspects of the budget,
4 questioning the changes to teacher salary totals for specific areas, teacher salary scales
5 and overall operating budget increases over previous years.
6

7 Ron Mitchell questioned the number of students that were added to the District due to the
8 housing development on Route 107. To date, there were eight new students as a result of
9 this project, but not all units had been sold. The Board anticipates more students to result
10 from this project.
11

12 Donna Cilley questioned the increase to athletic salaries, and the reasoning for support of
13 the hockey team. It was explained that this school sponsored team has been in existence
14 for over five years, but have had to raise funds for all costs. The District has determined
15 that it is time to support them by paying the coaching stipend, official's fees and
16 transportation, contingent upon equal support by the Gilford School District.
17

18 Discussion ensued regarding the Physical Education II course at the High School, which
19 consists of students working out at Planet Fitness. The program includes a \$10 per month
20 per student fee, for a total of two months, which is paid by high school student activity
21 funds. Transportation to Planet Fitness is being provided by volunteers, with no cost to
22 the District. Donna Cilley stated that she was terribly opposed to this, and felt this
23 program was an unnecessary expense being incurred by the District, and that equipment
24 already owned by the District should be used on site for this program. Brian Fitts voiced
25 his concern over the liability to the District from providing student transportation from
26 private vehicles owned by members of the administration. Roy Glines questioned the
27 number of items such as the hockey program and gym memberships that were added to
28 the budget for the upcoming year, stating that this was not a good economic time to be
29 considering such extras.
30

31 By request, the Board explained the reasoning and need for Article VII, to create an
32 Energy Fund expendable trust. Pret Tuthill explained the Board's position on not
33 wanting to raise money for fuel oil from taxes, and that the trust would be funded from
34 surplus funds at the end of each year. Mike Cozort further explained that for the previous
35 budget year, the cost of oil was \$3.20 per gallon. The actual cost for oil was \$4.29 per
36 gallon, which resulted in the reallocation of funds from other areas.
37

38 Roy Glines questioned the use of surplus funds to complete District projects that had not
39 been approved by the town residents. He stated that the projects completed over the past
40 summer were part of the failed bond from the previous year, yet the District completed
41 the projects regardless. Doug Ellis reviewed the list of projects completed using surplus
42 funds, explaining that the projects were not the same plan as proposed for the bond, and
43 that the projects focused on safety issues and building hazards. He explained that the cost
44 for the bus loop in the bond was \$297,000. When the bond failed, the District still had an
45 obligation to make the drop off/pick up area safer. They authorized an expenditure of
46 about \$8,000 to widen the parking lot and add a sidewalk to ensure student safety. This

1 led to several comments about the Board spending surplus funds without taxpayer
2 approval or knowledge of the projects. Roy Glines stated that a list of all proposed
3 projects should be presented to the residents before they are completed. Dave Morse
4 stated that he felt the Board was working to circumvent the system by making purchases
5 that were not known to residents. Bill Hart explained the District does have a list of
6 maintenance projects and the five year strategic plan, which is published widely, includes
7 building and grounds projects to be addressed over that period. Board members also
8 noted that the decisions to use surplus funds are made during public sessions of the
9 Board.

10
11 An extremely frustrated Donna Cilley stated that the Board had wanted to install a
12 sprinkler system at BES and a new bus loop at CES, and asked why the surplus funds
13 could not have been used to complete these projects. She stated that the Town of
14 Belmont will return surplus funds to residents by using them to offset the tax rates, and
15 that this had never been done by the District.

16
17 Pret Tuthill explained that, by law, once a proposed bond project fails that same project
18 cannot be completed with District funds, so it was not possible to complete these projects
19 as outlined. He explained the Board's view of purchasing items and completing projects
20 with surplus funds to offset the budget of the following year. Mike Cozort added that the
21 amount of surplus funds would not have been adequate to complete projects such as the
22 installation of a sprinkler system at BES. He further explained that the Board is
23 recommending adding to the School Facilities and Grounds Maintenance Expendable
24 Trust Fund to address this need. Mr. Cozort added that the District has indeed returned
25 surplus funds to offset the tax rate each year, with \$119,000 returned last year.

26
27 Donna Cilley expressed her disappointment that the budget was not available earlier than
28 the day before the hearing. Bill Hart stated that the information from the collective
29 bargaining agreement was not available prior to this date, as the agreement was just
30 reached yesterday (February 3, 2009).

31
32 Dave Morse stated that he did not like how the District would pick and choose the
33 projects that they would like to complete, stating that all funds should be returned to the
34 taxpayers.

35
36 Roy Roberts spoke in regards to the budget process, stating that there were no members
37 of the public involved in these open meetings. He explained that the District operates
38 like your home, where projects must be completed to ensure proper operation. As the
39 District's elected officials, the Board has been empowered to make these decisions. Mr.
40 Roberts stated that the District would work to improve methods of communication, and
41 encouraged all residents to attend Board meetings.

42
43 Donna Cilley stated that the District budget operates no differently than the Town budget.
44 She alluded to the fact that the District would be presented a warrant article petition to
45 form a budget committee.

1 Ellen Fitts asked for clarification between contractual and non contractual increases to the
2 budget, and stated that she was appalled by the District's willingness to supply gym
3 memberships to students.

4
5 Jim Sawicki asked if a school district meeting to discuss the expenditure of surplus funds
6 could be held towards the end of each fiscal year. Bill Hart explained that such a meeting
7 could only be granted by the courts, and based on previous instances, this meeting would
8 not be granted.

9
10 David Morse stated that having a 1% budget surplus was great, but that there was no
11 reason to be spending these funds. Mr. Morse expressed his opinion that items should be
12 purchased and completed in the planned upon year, and not in other budget years. Pret
13 Tuthill replied that the Board heard the taxpayers concerns, and would be proactive in
14 publishing projected projects and expenses.

15
16 Roy Glines asked if the District was considering any building projects out of future
17 surplus funds. Mike Cozort explained that one project he would recommend to the
18 Board, if there should be funds at the end of the year, would be plans to move the
19 entrance of BES. He explained that when the building was constructed (1985), we did
20 not face the security concerns that are prevalent today. The office was built in the middle
21 of the school and should be appropriately placed at the bus entrance, so the secretaries
22 had a line of sight to the front doors and all visitors would have to pass the office first.

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24 At 8:03 p.m., Chairman Bill Hart adjourned the public budget hearing.

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27 Respectfully Submitted,

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31 Robin M. Schofield
32 School Board Clerk