

A workshop session of the Dover School Board was called to order by Chairperson Marjorie Fisher on Monday, February 4, 2008, at 6:30 p.m. in Council Chambers for the purpose of discussing the Superintendent's proposed fiscal year 2009 budget.

A. ROLL CALL: Members present were Britt Ulinski Schuman, Carolyn Mebert, Audra Lurvey, Dorothea Hooper, Marjorie Fisher, Beth Setear, and Doris Grady.

Also present were Superintendent John O'Connor; Business Manager, Laurie Verville; Woodman Park School Principal, Patrick Boodey; Dover High School Principal, Christopher George; Dover Middle School Principal, Larry DeYoung; Horne Street School Principal, Barbara Szabunka; Dustin Gray, Garrison School Principal; Technical Support Services Manager, Christopher Roberge; Sandra Crosson, Director of Pupil Personnel Services; Captain Schesser, NJROTC; John Gamache, Facilities and Operations Manager; City Councilor Rick Callahan; Richard Barrett, DTU President; UNICCO Representatives Bert Ouelette and Randy Ledbetter; and school custodians.

B. PLEDGE OF ALLEGIANCE: Beth Setear led the Board in the Pledge of Allegiance.

C. CITIZEN'S FORUM: Rich Barrett addressed the Board, asking their support in two areas. The first area requested the Board provide additional nursing support at Dover Middle School. He stated that the nurse administers to approximately 108 students per day. In his opinion, this is an issue of safety in health. The second issue he addressed was the privatization of custodial services. Mr. Barrett asked the Board to consider the long-term costs associated with privatization. "If the price goes up, what happens? Look to the future."

D. BUDGET DISCUSSION: Dr. O'Connor explained the following budget presentation:

**Superintendent's Budget FY08-09
 February 4, 2008**

2007-08 Budget:	\$41,602,560
New Money	
(Proposed Increase):	<u>\$ 3,054,703</u>
Dollar Value:	\$44,657,263
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**Superintendent's Budget Under
 Tax Cap Charter – FY08-09**

One Variation of National CPI Urban:	2.8%	
Prior Fiscal Year Net Amount Raised by Taxes:	\$22,735,976	
Multiplied by National CPI Urban:	2.8%	
Subtotal:		\$636,607

Net Construction/Demolition Permit Value:	\$45,000,000	
Multiplied by Prior Fiscal Year Local Tax Rate:	\$8.02	
Subtotal:		\$360,900
Net Construction/Demolition Permit Value:	\$45,000,000	
Multiplied by Prior Fiscal Year State Tax Rate:	\$2.31	
Subtotal:		\$103,950
State Property Tax 2007-2008:	\$ 6,476,696	
Multiplied by National CPI Urban:	2.8%	
Subtotal:	\$181,347	
Added to State Property Tax for 2007-2008:	\$6,658,043	
(Less State Property Tax for 2008-2009):	-\$6,292,003	
Subtotal:		<u>\$366,040</u>
Increase Allowed to Appropriations Under Tax Cap:		\$1,467,497
2007-08 Budget:	\$41,602,560	
Allowable Increase to Appropriations Under Tax Cap (2.8% CPI Urban):	<u>\$ 1,467,497</u>	
Dollar Value:	\$43,070,057	
2008-09 Proposed Budget:	<u>\$44,657,263</u>	
Funds to be Eliminated:	\$ 1,587,206	

(Ms. Lurvey noted the "Funds to be Eliminated" could be looked at in a different way – How to raise revenue to offset the \$1.5M deficit)

(Dr. O'Connor noted the figures could be changing right up until the budget is presented to the City on March 15th; The Board should present their budget with a request for the opportunity to review and revise if necessary.)

Dr. O'Connor noted that the Athletic Budget "comes up every year" as a place to economize when preparing the budget, but in terms of Class L schools, Dover contributes the lowest amount of any New Hampshire district. He added, however, the Board might want to consider offsetting some of the Athletic budget by charging user fees. He stated that Peter Wotton will attend the next budget meeting to explain how it might be possible to charge families for some of these fees.

Athletic Department Budget FY08-09

<u>Category</u>	<u>Amount</u>
◆ Supplies	\$ 30,300

◆ Coaching Fees	\$184,708
◆ Transportation	\$ 89,500
◆ Game Officials	\$ 44,007
◆ **Other	<u>\$ 73,944</u>
	\$422,459

**Other	
Staff Development	\$ 500
Athletic Training Services	\$26,300
Equipment Repairs	\$ 7,000
Storage Rental	\$ 1,200
Student Insurance	\$ 2,175
Telephone	\$ 1,490
Postage	\$ 275
Travel	\$ 900
Dues/Fees	<u>\$34,104</u>
	\$73,944

The Superintendent added that the Board would be making difficult decisions. Because there are not a lot of areas in supplies and equipment in which to make \$1.5M in cuts, the next place to look will be staff. He did not recommend "wholesale cuts" in staff be made. Rather, he recommended the Board wait until retirements and enrollment figures are better know.

Transportation costs are another area in which the Board may want to consider user fees. The law does not require the district to provide busing at the high school level. Because many of the First Student buses are also used to transport elementary students, the elimination of busing would not necessarily mean the number of buses the district pays for could be reduced. However, students currently pay \$100 for parking at the high school. The Board may decide it is reasonable to charge a similar amount for bus ridership. The Superintendent will develop some ideas on how this could be accomplished to present to the Board during the next budget discussion.

Transportation Costs Specific to Dover High School FY08-09

COAST: \$105,000

First Student: \$100,000
\$205,000**

**Average Daily High School Ridership:
285 students on 6 First Student buses**

****Pending discussion with First Student.**

Other areas for consideration of charging user fees include the instrumental music and band programs. Ms. Grady noted she had added up the cost for music in the fifth grade alone and it came to \$702,000. Dr. O'Connor cautioned that a very large percentage of costs associated with the music program are for contractually obligated related arts and can not be cut. An

argument could also be made for the art program. Other areas that are not mandated by law or contractual obligations are reading specialists at elementary and middle school levels and some support personnel at the high school.

Ms. Fisher asked if funds are still in the budget for reading projects at Garrison and Woodman Park Schools. Dr. O'Connor stated the Leslie Project, Learning to Read by Reading, is complete at Garrison and Woodman Park is in the last year of the Literacy Collaborative. "Those positions have already been reassigned. I do not advocate eliminating any of these positions. I think they are critical." He recommended again watching enrollments at the elementary school and retirement and resigned positions at all schools. "We will need to look closely to see if there is a need to fill those positions." The District will need to look to see if all students can be accommodated without filling these positions. Additionally, the Board might want to look at the possibility of increasing class sizes at the some schools.

Dr. O'Connor then provided Board members with a list of Compensation Totals for all Dover School District Employees by school and bargaining unit based on a previous request.

The Superintendent ended his presentation, noting he will meet with administrators to develop a list of recommended cuts in priority order. He then reviewed items the Board had previously identified as priorities for their further consideration. These items will be addressed during the February 11th budget discussion.

School Board Priorities for 2008-09 School Year

<u>Category</u>	<u>Amount</u>
Kindergarten Program:	\$647,305
New Career Technical Programs:	\$160,980
Technology Upgrades:	\$188,118
High School Program Improvement:	\$ 22,947
Curriculum Adoption:	\$278,037
Special Education Costs:	\$145,840
Transportation:	\$ 22,843
Utilities/General Liability and Property Insurance:	\$139,923
Fund Transfer – McConnell Ctr. Debt Service:	<u>\$ 14,566</u>
	\$1,620,559

Ms. Grady stressed for the public that the discussion on the athletics cuts are ONLY SUGGESTIONS and people should NOT assume these cuts will be made.

Ms. Fisher asked if smart start is included in the proposed budget. The Superintendent indicated smart start AND full-day kindergarten are BOTH in the proposed budget, realizing that one or the other budget item may be reduced or deleted pending the Board's decision on whether to fund full day kindergarten next school year.

Ms. Fisher asked the Superintendent to provide her with the total projected cost for pre-school.

Dr. O'Connor asked if the Board would be interested in having him, the athletic director, business manager look at the possibility of charging user fees for music, athletics, and transportation respectively. Board members agreed they would be interested.

Carolyn Mebert noted that the district currently transports private school children and asked if there is a requirement by law to do so. The Superintendent indicated he would research that question and get back to the Board.

(RECORD NOTE: RSA 189:9 Pupils in Private Schools. – Pupils attending approved private schools, up to and including the twelfth grade, shall be entitled to the same transportation privileges within any town or district as are provided for pupils in public schools.)

Beth Setear added that the Superintendent needed to consider ways to make more revenue, noting that "\$1.5M doesn't come easily!" Ms. Lurvey agreed with Ms. Setear and added that the proposed budget could be considered as "guidelines" right now. "(We) need to look at charging money for full day Kindergarten." During the Kindergarten Committee meetings, Ms. Lurvey noted she felt "...parents are willing to pay something less than what they would pay for one-half day daycare." Ms. Grady cautioned that, looking at it as a taxpayer, adding user fees is another form of tax. Dr. O'Connor stated, "We have user fees – we just don't call it that," referencing fundraisers, raffles, concessions, lists of supplies sent home to parents for students to provide, and other sources.

Dr. O'Connor reiterated, "Next week we will provide you with a list of cuts. If you have questions, email them to me or Laurie." Ms. Fisher asked the Superintendent to provide her with the Substitutes Budget. Dr. O'Connor stated he would have the Business Manager pull that line item from the budget and email it to her tomorrow.

Ms. Hooper stated she would NOT like to look for pennies and dimes to cut in supplies and texts as has been done "year after year." They need to consider BIG ticket items. Such as standards, benefits, class sizes. Dr. O'Connor agreed, stating it is up to the Board to establish their priorities.

Ms. Mebert asked what the legislature had decided was the amount to adequately educate a student. Dr. O'Connor stated that the amount was \$3,456 and noted that students who are ESOL, Free & Reduced Lunch, or Special Education are factored at different weights to increase that amount. He added that funds will now be assigned to individual schools, not the district. Ms. Grady asked if "...that means the money has to be spent at that school?" Dr. O'Connor stated his belief that "...it appears so."

Ms. Hooper asked how much Dover spends per student. Dr. O'Connor stated the annual amount is now \$10,000 to \$11,000 per student.

Ms. Lurvey asked if distribution of adequacy money is based on schools if that would cause an "administrative burden" since enrollments change day-to-day. Dr. O'Connor stated it would be a "burden" to some degree.

Ms. Hooper asked what costs are associated with summer school. Dr. O'Connor stated the high school's is self-supporting through tuition. There is no longer summer school at Dover Middle School.

Ms. Fisher questioned an item that added a noon supervisor at Dover High School at a 100% increase. Dr. O'Connor stated that position may not have been staffed in the budget last year,

but added subsequently. Ms. Fisher asked if the position could be taken out to maintain the same staffing levels as last year. "That is \$11,000." Dr. O'Connor indicated there is a need for noon supervisors at the high school and noted that if noon supervisors were not hired for 1 to 2 hours per day, then highly paid staff would be required to patrol the cafeteria. Ms. Fisher asked why aides employed for SPED or instruction aides could not be assigned these duties. Dr. O'Connor explained they try to schedule aides but noted that most high school aides are one-on-one and not available during these periods.

Dr. O'Connor gave a recap of items he would be preparing for the next Board meeting including information on athletic user fees, transportation user fees, music user fees, and full-day kindergarten fees.

E. UNICCO PRESENTATION: Dr. O'Connor recapped that, during the January meeting, the Board had rescinded its vote on Contracted Services and tabled its vote on awarding a bid.

Bert Ouellette and Randy Ledbetter of UNICCO made a PowerPoint presentation to further identify for the Board "the advantages of outsourcing" custodial services. Mr. Ouellette stated his belief that UNICCO can "save money, reduce costs, and do more for the same amount" of money currently being spent. He provided an overview of what he hoped to clarify for the Board during the workshop:

Workshop Objective

- Quick review of UGL Unicco qualifications
- Why institutions seek outsourcing
- Savings
- Staffing and cost comparisons
- Transition

Source of Savings

- Staffing
 - Competitive wages, benefits and pensions
 - Productivity enhancements
 - Accountability
 - Supervision
 - Scheduling
 - New equipment
- Reduced dependency on subcontractors
 - Electricians
 - Plumbers
 - HVAC Mechanics
- Energy management

Areas of Added Value:

Local Support

VP of Operations
Director of Operations
Operations Manager
HR Director

Technical Support
 Program Support
 On-Site Training & Development
 Benchmarking

Corporate Support

Implementation team
 Safety & Risk Management
 Quality Assurance
 Technology
 Innovation
 ITS Group (support)
 SOP's Custodial/Grounds/Maint

Program Highlights

Competitive wages/benefits
 UNI-Q Quality Program
 MAXIMO – CMMS program
 New equipment
 Energy management reviews
 My.unicco.com – WEB Portal
 Performance measures
 On-going innovation
 Incremental savings
 Employee recognition

Dover Budget 2009

▪ Payroll and Administration	
– Total Payroll Expenses	\$2,191,142
▪ Facilities Operating Expenses	
– Non Payroll Expenses	<u>\$364,972</u>
▪ Total Expenses	\$2,556,114

UNICCO Budget 2009

▪ Payroll and Administration	\$1,521,860
▪ Facilities Operating Expenses	
– Non Payroll Expenses	<u>\$859,339</u>
▪ Total Expenses	\$2,381,199
▪ Less Prepayment Discount	<u>(\$23,812)</u>
▪ Total	\$2,381,119
▪ Less Performance bond	(\$35,402)
▪ Less equipment adjustment	(\$65,578)
▪ Revised total	\$2,256,407

Total Estimated Savings \$185,398

Projected additional savings
 ▪ Utilities costs \$100,000

▪ Services purchased	<u>\$15,000</u>
☐ Projected annual savings	\$300,000

Upon completion of the presentation, Board members were invited to ask questions or comment.

Ms. Hooper stated she still had some concerns regarding UNICCO's performance of background checks and asked if an employee is ever on-the-job prior to completion of the background check. Mr. Ouelette stated that for school districts and hospitals, no employee ("absolutely never") is allowed to work until the checks are completed. Dr. O'Connor noted that the district currently hires "on a promise" (meaning the employee starts before the check is complete but signs a paper indicating they will not be retained if the background check uncovers anything inappropriate).

Ms. Grady asked UNICCO if the projected savings of \$185,398 included figures for energy. Mr. Ouelette stated it does not. "We are only responsible for managing energy – but it's not in our budget. That budget for energy is strictly the district budget. Ms. Verville added, "The figures that he represented for Dover did not include our proposed continuing with Sieman's or an energy management company of about \$200,000."

Ms. Unlinski Schuman asked what kinds of percentage increases the Board might expect to see after the three year contract expires. Mr. Ledbetter stated that increases are typically tied to the consumer price index and average around 2% to 3%. He noted, however, that could be negotiable with the Board. They would just like enough to provide employees with reasonable pay increases. Ms. Unlinski Schuman then questioned whether UNICCO would make upgrades or repairs that might cost more than the Board's ability to afford. Mr. Ledbetter assured that UNICCO's job is to make recommendations only and the Board's job is to make the decisions.

After all questions were asked, Dr. O'Connor thanked the UNICCO representatives and added awarding the bid for outsourcing custodial services will be on the February agenda.

F: ADJOURNMENT: Doris Grady moved, Audra Lurvey seconded, to adjourn the workshop session at 8:35 p.m. An oral **VOTE PASSED 7/0.**

Respectfully submitted,

BETH SETEAR, Secretary
Dover School Board
BS/kgb
February 5, 2008