



**DOVER SCHOOL  
DISTRICT**

## DOVER SCHOOL BOARD – MINUTES

Meeting Type: Joint Fiscal Committee Meeting  
Meeting Location: Finance Conference Room, City Hall  
Meeting Date: **Monday, September 1, 2009**  
Meeting Time: **6:30 pm**

**CALL TO ORDER:** A meeting of the Joint Fiscal Committee was called to order by School Board Chair, Marjorie Fisher, on Monday, September 1, 2009, at 6:30 p.m. in the Finance Conference Room, City Hall.

**ROLL CALL:** Committee members present were School Board Members, Chairperson, Marjorie Fisher, Doris Grady, and Britt Ulinski Schuman; City Council committee members, Mayor Scott Myers and Councilor Rick Callahan. Absent were School Board committee member D. Hooper and City Council Committee member Doug DeDe.

Also present were School Board members Carolyn Mebert and Audra Lurvey, City Council members Karen Weston and Catherine Cheney, City Manager, Michael Joyal, City Financial Director, Dan Lynch, Business Administrator, Laurie Verville, Superintendent of Schools, John O'Connor, and Mary & Rick Heberd.

**DISCUSSION:** Chairperson Fisher recommended the School District discuss their financial issues first. She then stated those who were watching the School Board meeting should be aware the Board approved three additional kindergarten classes due to high enrollments at the elementary schools. Those classrooms will also require three additional paraeducators be hired and there will also be a cost to furnish each classroom. That breaks down to approximately \$225,000.00 for teachers, \$55K,000.00for paraeducators, and \$45,000.00 to furnish three classrooms. Because these items were added after the budget was adopted, the District has to find funds for this additional \$325K in its existing budget.

Ms. Fisher continued, advising that the increase in retirement funds (5% additional passed on by the state) for \$97,000.00; additional health care costs due to program enrollment changes for \$115,000.00, increased the budget after adoption at over \$500,000.00. She added that the Superintendent and Business Administrator have said they will “freeze” all spending to compensate for these additional costs and the Board has no plans to ask the Council for additional money. Ms. Fisher stated the District is still in negotiations with two of its unions (teacher and secretaries) and a third contract is in its last year (para’s).

Doris Grady provided possible scenarios to explain why kindergarten enrollments are so high, including loss of jobs and inability to pay for private daycare and the automatic acceptance of approximately 35 students from the pre-school program. Ms. Grady added that comments had been made during past Council meetings, such as, “If we take this from there, we could use it on the City side,” which prompted responsive comments like, “Don’t do that or they’ll cut sports!”

Ms. Grady continued, noting the Board held many budget meetings between January 29 and March 9, 2009. When Superintendent O’Connor presented Board members with figures from the 2008/2009 adopted budget, the Administrators requests for 2009/2010, and the Superintendent’s budget, he had cut out \$1,654,887.00 of administrator requests prior to submission to the Board. Ms. Grady then noted her displeasure at hearing some say there were indications the Board didn’t cut anything. She reviewed proposals presented by the Superintendent when the amount of adequacy money (\$800,000.00) the District would receive was in question. Some ideas included, eliminating high school busing, cuts in music, and charging fees for athletics. However, when the Governor funded \$800,000.00 for adequacy,

there was no need to make those cuts. Ms. Grady added that the Superintendent conducted basic reviews with administrators. The Board reviewed the Superintendent's submission, and Board members were adamant they did not want to make cuts to hurt the students if possible. The District budget submitted to the Council was at a 2% increase following the Council's direction. Ms. Grady believes any further cuts will affect parents, children, and sports.

Mayor Myers noted there were a lot of parallels between the City and District budget preparations. The City Manager also made over \$1,000,000.00 in cuts to his administrator's requests before submitting his budget to the Council. He also noted that the City was under a similar situation as the Board when they were preparing their budget. They, too, had unanswered questions about rooms and meal taxes when they developed their budget, and were also affected by revenue sharing costs passed to the City for retirements. The Mayor noted the Governor stated that, in the aggregate, cities and towns made out better than last year. While he agreed that was accurate, he noted that the School Board received \$800,000.00 and the City \$600,000.00. Additionally, the City also took a hit for severance costs for employees who retired after the budget was passed. Mayor Myers stated the question now was, how much of the \$600,000.00 shortfall should be passed on to the taxpayers and how much the City and District could "share." The Mayor also noted the City had already made significant cuts in the areas of staff, working hours, while many user fees were also raised.

Ms. Fisher stated the School Board had also made cuts in technology and delays in replacing retiring or resigned employees as cost-savings measures. She then asked how the referendums (being proposed on the next City Council agenda) would affect the budget if passed. There was some discussion as to which budget was being considered: The adopted budget or the budget "prior to" adoption. If "prior to adoption" budget, the resolutions would restore \$200,000.00 revenue to School Board budget with a \$600,000.00 shortfall remaining in the City budget. Councilor Callahan questioned if the \$200,000.00 revenue is restored, would the shortfall be \$600,000.00 or \$400,000.00. The Mayor reiterated if no changes were made today, the impact passed to the taxpayers will be for the \$200,000.00 revenue decrease and an additional \$600,000.00 revenue shortfall for a total of \$800,000.00. The City Manager confirmed the figures were dependent upon the "yardstick" from which you measure – a restored budget (+\$200,000.00 in School revenue) or the adopted budget.

Superintendent O'Connor restated the facts as he saw them: The City has a \$600,000.00 deficit imposed by the state. In addition, there are other areas of concern including increased retirement costs, military commitments, etc. The School Board shortfall is comparable – If you add up costs of unbudgeted expenses including summer school, special education cost increases, etc. the District is also facing a shortfall of \$600,000.00 with the difference being, it was imposed by the District.

Dr. O'Connor explained that the District makes an annual budget adjustment based on resignations, retirees, and new hires. This year, the differential is approximately \$300,000.00 "extra" that can be used to offset the \$600,000.00 shortfall. That still leaves \$300,000.00 to make up in the existing budget by freezing expenditures, making cuts in areas like technology, buying only critical and essential books for a new curriculum adoption in language arts, delaying hiring replacement staff to save additional money, etc.

Chairperson Fisher added that the Board also requested a waiver not to hire an assistant principal for Garrison School which has over 500 students. The state requires a school hire an assistant principal when enrollment reaches 500 students. That waiver was granted. Similarly, Woodman Park enrollments are increasing and a waiver may need to be requested for that school also – which may or may not be granted by the state. Ms. Grady added that "real" enrollment numbers will typically not be known until October. Additionally, the District may pick up more tuition students, increasing revenues, because many parents of students who would attend Coe-Brown are unable to afford the additional tuition they are required to pay to attend. Those students will attend Dover High as tuition students.

Doris Grady asked the mayor, "What are you looking for?" The Mayor stated the numbers provided to him this evening were helpful. Ultimately, the question is, what do we do for taxpayers? The City has already made cuts in pay, positions, big projects, and has raised user fees and there still remains a \$600,000.00 shortfall. He asked how the City and School District can "share" the increase. Ms. Grady asked if the Council had any "suggestions or thoughts" where the School board could make cuts. Mayor Myers noted the Council has been told, again and again, they have bottom line authority only and cannot make cuts to line items. He added that he had asked the SAU in an email last month what savings were being anticipated in employee separations versus new hires. The Mayor stated he just received that information this evening. He added that his email also asked if there were projected savings in utilities and the Business Manager advised she could not calculate that because there was no "history" in three of the school buildings that recently converted heating systems.

Dr. O'Connor recognized the City made a number of concessions. He also noted that when the City passes on user fees, they are very visible (dog licenses, pool fees, etc.). However, there are many "unseen" fees collected in the schools. As an example, he read from a list of items middle school teachers sent home over the summer for students to purchase – these are "fees". When students raise money for ice time, those are user fees. Dr. O'Connor explained the reason the District was unable to provide Mayor Myers with a figure of savings being realized from staff resignations, retirements, and new hires until this evening was because he was still in the process of interviewing and hiring new employees up until today. Additionally, enrollment in health care just ended today so those potential savings could not have been calculated until now. He reiterated that both Boards are in very difficult positions and reminded that the District has laid off many staff over the previous five years.

Dr. O'Connor continued, stating legal council advised the District they should adhere to the teacher and secretary contracts step increases as well as the para's cost of living increase, or the unions would file a grievance that the School District would lose. Additionally, the para contract tied raises to the cost of living index. Although the Council and District agreed to a 2% increase, the COLA was actually 3.8% and that amount had to be used for the para contract raises. Lastly, the administrators declined to re-negotiate their contract and took their contractually obligated raise.

City Manager Joyal stated there were no pay increases to any non-school employees. Additionally, several department heads, including the City Manager, took pay cuts this year. There were pay freezes and reductions in hours as well. Dr. O'Connor stated he heard there were three positions (recreation director, planning director, and finance director) who received pay raises. Mr. Joyal stated, unequivocally, there were pay freezes for ALL employees, including those three directors.

Britt Ulinski Schuman noted that the School District can not cut back on employee hours because schools must remain open. She also expressed her concern that the pay for teachers is lower in Dover than surrounding Districts. That is causing teachers to leave to work in higher paying districts. Her concern was that Dover would not retain the quality of teachers that we would like to see.

Rick Callahan stated he read that teachers in Manchester, and others across the country, have agreed to pay cuts. He asked the Superintendent if he know how Manchester was able to do that. Dr. O'Connor stated the teachers in Manchester agreed to take pay cuts PROVIDED all teachers that were laid off would be re-hired. Ms. Grady added she had read that article also and was confused. The pay cut in Manchester is for one-half year only and will save a total of \$1,100,000.00. However, it cost \$1,180,000.00 to hire the laid-off teachers back. Additionally, in January, the pay cuts will be reinstated (not retroactive) for a \$2,500,000.00 increase.

Mayor Myers stated the City was still looking to close the revenue gap and asked if the School Board had anything to offer up to help bridge the \$200,000.00 shortfall. Dr. O'Connor stated he could ask the same

of the City - how they could help to bridge the School District's \$300,000.00 shortfall. Both the Superintendent and the Mayor agreed that, if the resolutions being presented for discussion on the next Council agenda pass, the City will be short \$200,000.00 and the District \$300,000.00 for a total of \$500,000.00. The City Manager stated that he looked at all municipal services, including Schools. He added that the job is to provide the right balance of resources allocated to provide services to the community. He noted that some of the items that were originally discussed for possible cuts, Main Street, library hours, fireworks display, etc. were back into the budget after numerous community members voiced their support. However, the cost for those items reflect only a small fraction of the City budget.

Ms. Grady took a moment to voice her concern at the apparent show of animosity she believes has been shown by Council members towards the School Board, something she has never seen before in her 14 years of service. "All of a sudden, it's become finger-pointing and it shouldn't be! Some Councilors are saying, "We made cuts. The School Board didn't!" Ms. Grady stated she did not like this attitude as a tax payer, community member, or School Board member. She cautioned that next year's budget preparation will be much worse with potential cuts in federal and state monies once again.

Mayor Myers asked if the School Board knew next year's adequacy numbers yet. Dr. O'Connor stated the amount will be similar to this year's, but noted cuts in the year after next could be significant. Ms. Grady added that City Revenues might be down if unemployment gets worse. The Mayor also noted that laid off staff is not a dollar for dollar match because the employer still must pay unemployment.

Chairperson Fisher opened discussion to the non committee members present. Karen Weston took a moment to explain that the resolution she and Council Carrier were sponsoring would "solve" all the issues being discussed this evening. Councilor Weston explained, "if we reverse that \$200,000.00, it will take care of part of the \$600,000.00 shortfall leaving a balance of \$400,000.00. Ms. Weston also stated the answer to the question 'where is starting?' is, at the beginning and the answer to, "when is beginning?" the answer is, with the adopted budget. The Councilor's recommendation is that the remaining shortfall of \$400,000.00 be taken from the sand and gravel fund. Again, comments were made cautioning that next year will be much worse. The current CPI is a negative number, and estimates are, it will end up less than 1% (basically, a flat line budget).

Ms Weston stated her belief that the one budget amendment will take care of the entire \$600,000.00 shortfall.

Councilor Callahan posed the question asked earlier back to Ms. Grady, asking what in the City budget did she think they could cut. Ms. Grady stated she had not studied their budget so she could not answer that question. Councilor Callahan then reiterated what Mayor Scott said previously - the Council was repeatedly reminded it can not tell the School Board what to cut. They can address the bottom line only, not line items. He asked that the Board to "put down that shield" in the future to facilitate discussions for cases like this.

Britt Ulinski Schuman explained that the issue is not 'line item by line item.' Rather, the issue occurred after the budget passed and 'the rules changed.' She added there was nothing wrong, or to prevent, asking questions prior to budget adoption.

Carolyn Mebert stated that the Board could probably adjust its budget – it could increase class sizes to the maximum and eliminate related arts programs. "We could do that... and maybe we should and see what happens in the community." She continued by stating she believes, however, the children are our future. Dover has a "pathetically low college bound rate." The Board could cut the budget and cause an even lower college bound rate. Dr. Mebert added, "I'm not sure anyone cares," and noted that she has not seen that Dover cares about education during Council meetings and citizen forums.

Dr. Mebert continued, stating, overall the Board could spend less on education and see if anyone cares. Based upon the issues they bring up during Council and Board meetings, people only seem to care about class size, kids being bused, and not raising taxes. However, as an educator she looks at what we have in Dover and believes we could do so much better! But if the City only wants to deal at the fiscal level, certainly cuts can be made. She added, however, maybe we should put money into making our schools more exciting places and increase the numbers of kids going on to college. Dr. Mebert ended, stating the bottom line was that the Board could raise class sizes. “Would it be best for the kids? No.”

Ms. Grady added that the City solicits industry and business to move to Dover. One of the reasons they come to Dover is because of its reputation for a good school system. Increasing class sizes or eliminating art, music, and sports will affect that reputation.

Mayor Myers stated he appreciated Dr. Mebert’s comments and he also believes “the children are our future.” He agreed that the City wants good schools, libraries, and to provide community activities to attract new business. Most members of the community who address the Council spoke of the quality of the community, not roads, police departments, etc. However, constituents tend to be reactive instead of proactive when changes are made to affect those issues. He added that less than 5% of the budget goes toward funding things like library, recreation, and the mounted police patrol.

Councilor Weston reiterated her belief that all of the concerns mentioned would be taken care of by the budget amendment. She noted that in conversations she hears, people do care most about taking care of the children and education. “There is always room for improvement, but the members of our community want kids to get a good education.”

Mr. Rick Heberd noted that Dr. O’Connor and Mr. Joyal are managers and their job is to manage. He asked what would be wrong with increasing class sizes, noting that many of us went through school with 25 or 30 students in the class. He stated it is their job to make tough decisions, not to appease parents. The job is to educate students. He stated his opinion that increasing class sizes won’t make students become ‘worse people.’ Dr. Mebert reminded those present that the state mandates class sizes. Mr. Heberd stated he understood and was only using that as an example.

Ms. Mary Heberd urged the School Board to go back to see what they can do and set a “date certain” to make a decision. Mayor Myers noted that “date certain is upon us.” September 9<sup>th</sup> is the public hearing and a vote can be taken on September 23<sup>rd</sup> in order to send the budget to the DRA to set the City tax rate.

Board Chair Fisher stated, looking at the budget, she could not see what could be taken out. Ms. Ulinski Schuman noted that the Superintendent had originally developed a list of items to consider for cutting and, if money were found, the items could go back into the budget. (Those items were reinstated after the District received adequacy money). She suggested perhaps they could review them now.

Dr. O’Connor stated the only items to even be considered for cuts included non-union personnel, non-contractual items, utilities for schools with a ‘history’, athletics, maintenance repairs, transportation. He stated the Board would look at those items and give a report at the August 14<sup>th</sup> regular Board meeting, noting that he could not imagine cutting, for example, spring athletics to get back \$10,000.00 – \$15,000.00 as, “It would not be good for the community.” The Mayor noted duly and added that it was his job to ask, and the District’s job to look.

Mr. Rick Heberd suggested the Board consider charging for kindergarten. He had heard from parents of children who were entering kindergarten who said they would be willing to pay a fee as it was less expensive than daycare. It was noted that state law changed this school year and it is now mandatory for all districts in the state to provide half-day kindergarten. The only option to consider would be to charge parents for the second half of the day.

Dr. O'Connor reiterated that they could relook at charging fees for busing, athletics, and kindergarten. But he asked, "What do you charge for football? What do you charge for cross-country? What do you charge for Hockey?" The Superintendent noted user fees for sports exist in many Massachusetts communities. Some sport's fees are \$1000.00. Mr. Heberd noted charging a fee might hurt the children who need it most. Dr. O'Connor stated that Dover currently has many children living in poverty. Mr. Heberd added there could be a means to assist families in poverty. He continued, "You need to look at this. Add up the cost, divide by the number of players, and that is the fee. You can make adjustments for those who cannot afford to pay." Councilor Weston cautioned that one needs to be sensitive when fees are instituted because they might end up causing more problems. She cited increasing taxes on cigarettes has caused many people to quit smoking, thereby reducing revenues. Ms. Weston also referenced Dover's increasing ice time fees has caused some teams to relocate to Exeter. "We can increase fees, but when the ratio drops, revenue decreases."

Ms. Grady asked the Superintendent what percentage of the budget goes to pay salaries and benefits. Dr. O'Connor answered it is between 75% and 77%. Ms. Grady noted that the District is required, by law, to issue contracts to teachers by a date in May. That means nearly 75% of the budget is encumbered at that time, leaving approximately 25% to deal with all other costs. This year, the Council was asked to take a straw vote on the School budget so that contracts could be delivered on time. The straw vote indicated the budget would pass. Mayor Myers agreed that a straw vote was taken but added he believed there was a caveat documented in the minutes that stated it would pass "barring unforeseen revenue shortfall from the state."

Ms. Fisher stated the Board would discuss this all during their September 14<sup>th</sup> meeting and get back to the City. Councilor Weston asked the Mayor if a Council vote was taken on the last Wednesday of the month (September 30<sup>th</sup>) would that be too late? Finance Director, Dan Lynch, stated they would need to advertise for a public meeting on September 23<sup>rd</sup> to be realistic to get all the information together for the DRA and in order to mail City tax bills on November 1<sup>st</sup>. Mayor Myers asked when the budget was due to the DRA. Mr. Lynch stated it is due by October 1<sup>st</sup>.

Councilor Callahan asked if the committee wanted to set a new meeting date. Mayor Myers indicated the next meeting should be held in the fall to discuss the CIP. Ms. Fisher agreed and will call a meeting at a later date.

**ADJOURNMENT:** The meeting was adjourned at 8:30.

John O'Connor, Ed. D.  
Superintendent of Schools