

**Merrimack School Board Meeting  
Merrimack High School Cafeteria  
August 8, 2011**

**PUBLIC MEETING MINUTES**

**PRESENT:** Chairman Vaillancourt, Board Members Barnes, Markwell and Thornton, Superintendent Chiafery, Assistant Superintendent McLaughlin. Business Administrator Shevenell, Vice Chairman Ortega and Student Representative McLavey were excused from the meeting.

**1. Call To Order**

Chairman Vaillancourt called the meeting to order at 7:30 p.m.

Chairman Vaillancourt led the Pledge of Allegiance.

**2. Approval of July 11, 2011 Minutes**

Board Member Barnes moved (seconded by Board Member Markwell) to approve the minutes of the July 11, 2011 meeting.

Chairman Vaillancourt requested the following changes to the minutes.

- Page 3 of 7, section 7, last paragraph, second sentence should read “She also explained that the proposed half million dollar reduction was to cover a loss of revenue at the deliberative session.”
- Page 3 of 7, section 7, last sentence should read “She asked Business Administrator Shevenell to explain why the potential increase in expenditures was not looked at previously.”
- Page 4 of 7, first paragraph, second line, replace the words “short falls.” with “increase in expenditures.”
- Page 5 of 7, first paragraph, the second sentence should read “She stated that Town Council Chairman Finlay Rothhaus hopes to educate the children about the single stream recycling ...”
- Page 5 of 7, second paragraph, the sentence should read “Board Member Markwell stated that the use of single stream recycling causes damage to paper products and the Town of Merrimack may consider returning to the sorted recycling method.”

The motion passed 3-0-1 with Board Member Thornton abstaining.

**3. Public Participation**

There was no public participation

**4. Acceptance of Gifts/Grants under \$5,000**

- B & S Locksmith in the amount of \$500.00 in support of Project Safeguard to defray the cost of “Mack the Moose”.
- McDonald’s Advertising Co-op Inc in the amount of \$2,000 to the James Masticola Elementary School for being selected as the 2011 Elementary School of Excellence

Board Member Markwell thanked both companies for their generous donations.

Board Member Barnes moved (seconded by Board Member Markwell) to accept the gifts.

The motion passed 4-0-0

## **5. Consent Agenda**

### a) Teacher Resignations

Assistant Superintendent McLaughlin announced the following teacher resignations

- Wendy Otavsky - Merrimack High School
- Timothy L'Ecuyer – Merrimack High School

### b) Teacher Nominations

Assistant Superintendent McLaughlin announced the following teacher nominations

- Reginald Bates – English Teacher at Merrimack High School
- Laura Hutter – Math Teacher at Merrimack High School
- Brittney Lins – Math Teacher at Merrimack High School
- Kimberly Marshall – Gateway Teacher at Reeds Ferry School
- Julie Totaro – World Language Teacher at Merrimack High School

Board Member Markwell moved (seconded by Board Member Barnes) to approve the consent agenda

The motion passed 4-0-0.

## **6. Status Report of K-12 Arts Curriculum Work**

Assistant Superintendent McLaughlin welcomed Assistant Principal Sharon Putney to explain the Merrimack School District's Arts Program.

Assistant Principal Putney stated that one of the goals of the Merrimack School District Logic Model is that common language and instructional approaches be used by all staff to build consistency for students and parents. The purpose of revising the District Arts Curriculum is to provide guaranteed arts instruction for students in grades one through twelve. Also included in the District Logic Model is a long-term strategy plan to provide teachers with time and support to work with collaborative teams.

Assistant Superintendent McLaughlin explained Understanding by Design (UBD), which has been the foundation of most of the curriculum work undertaken over the past several years in the district. It is a model for teachers and administrators to use to understand the fundamental things that students in any content area should know and what they are able to do.

Board Member Barnes stated that she is very excited that the arts and music curriculum transfers across all subject matters and can really help a student learn in different ways.

Chairman Vaillancourt thanked Assistant Principal Putney for her presentation and for the collaborative efforts put forth in completing the document. She asked Assistant Principal Putney to explain how the test run was working. She asked if the curriculum that was formulated was being used this current year. Assistant Principal Putney responded that it was not.

Assistant Principal Putney explained that some staff members are using certain aspects but it has not been officially rolled out yet. She stated that the curriculum would go out to teachers, go before PERC (Program and Evaluation Review Committee), and then come before the school board in January before rolling it out completely.

## **7. Presentation Regarding Revenue and Appropriations In Regard to School District Budget**

Chairman Vaillancourt gave a brief history of the budget process and the cuts that have been made. She explained that at the last meeting the board was talking about the increase in expenditures versus the decrease in revenues. The Power Point presentation that was recently viewed by the school board was referenced, as it focused on making sure that everyone who has been following this budget cycle understands the terminology used and why there were proposed budget adjustments.

Business Administrator Shevenell explained that the information presented will be posted on the website. He continued to explain that expenses are the amount of money the district has to spend in the budget, appropriations are the amounts of money the district is authorized to spend (a cap or ceiling), and revenues are the amount of money the district must raise to balance the budget. He stressed that the revenues must equal the appropriations. There is no option at the end of the year to go into a deficit. Accordingly, the administration has tried to bring in an appropriate surplus to roll into the next year's budget. In doing this the result is that expenses equal revenues, which is the "ultimate rule."

Business Administrator Shevenell stated that most of the money in the operating budget covers salaries and benefits, debt service, special education, supplies, health insurance throughout the school district and transportation. The money comes from the local property taxes, the adequate education grant and the State tax.

Business Administrator Shevenell continued to explain that after the school budget was proposed, the State contributions for the teachers' retirement system was eliminated, which would add a one million dollar burden to the district's budget. On September 14, 2010 the rates were recertified, so that the employer now contributes 13.95%, up from the 11% they had been paying. The rates were then revised again on August 4, 2011 so that the employee would be paying 2% more.

Business Administrator Shevenell stated that he had never seen this type of volatility in the retirement system. In the past, the New Hampshire Retirement System (NHRS) has set the rate for an unchangeable two-year period. There would be a fixed rate for 2011-2012 and 2012-2013. The way things have happened with the three changes in recertification, the board is now looking at a two hundred twenty thousand dollar shortfall instead of the original one million dollar shortfall. However, nothing is guaranteed.

Business Administrator Shevenell spoke about the three and one half million dollar allocation to be portioned out by the state to the districts and municipalities. The state has not yet figured out how that will be done and how it is going to be pro-rated. There is cause to be concerned.

Superintendent Chiafery explained that the board had asked the Administration to estimate the three tiers of proposed cuts to the budget without knowing exactly what the proposed State budget was going to be. She stated that she is concerned about restoring items to the budget. Therefore, she hopes the board will stay the course with this budget a bit longer. She explained that there is nothing that says the board cannot go back and look at the proposed cuts in the near future.

Chairman Vaillancourt asked if there were any questions or comments regarding the loss of revenue and increase in expenditure information presented by Business Administrator Shevenell.

Board Member Markwell ask if the retirement system was in trouble with the current instability of the stock market; specifically how much of the retirement money is invested in stocks and where all the money is stored.

Business Administrator Shevenell responded that he is not familiar with the state retirement portfolio, but thinks it is very conservative. He explained that when the rates are set, a five-year trend is taken into consideration.

Board Member Thornton wanted clarification on the rates the employer contributes to the New Hampshire Retirement System. She also asked, at this point, how the State of New Hampshire expects any school district to respond, since budgets are already set.

Business Administrator Shevenell replied that they had to figure in all the legislative changes with years of service. For example, the retirement age has been raised from age 62 to age 65. There are many complexities. We have done what a lot of other districts have done in that we have maintained a relatively good “cushion” in attempt to deal with anything that comes up.

Chairman Vaillancourt explained that creating a cushion is not the same as “padding the budget”. The board has initiated three levels of cuts or transferable money that the district is facing as a result of the increase in expenditures. The district is not over budgeted.

#### **8. Board’s Response to Tiered Budget Cuts in Relation to Additional Appropriation for Retirement**

Chairman Vaillancourt explained that the tiered budget cuts were proposed last March in anticipation of potential loss of revenue and increase in expenditures. She explained that the choices that were made were based on the information available at that time. She continued to report that work began on the entrances to Reeds Ferry Elementary School and Thorntons Ferry School and the asbestos abatement and the replacement of the cafeteria tables at Thorntons Ferry School, which accounts for some of the proposed cuts, still leaving about one million dollars to be found.

Chairman Vaillancourt explained that she is not comfortable making a decision to move forward with spending any of the money now, knowing that there is a very good possibility that things could change in the next couple of months. One of her concerns was that there is a huge discrepancy between the one and a half million dollar shortfall estimate to the now two hundred and twenty thousand dollar shortfall estimate.

Business Administrator Shevenell addressed the removal of one seventy-one passenger bus from the transportation system. He explained that the district is currently building bus routes for the 2011-2012 school year. He referred to last year not being “one of our finest years” as far as bus service to the students. There were several parent complaints about the length of routes and he was concerned that if this bus were cut, the situation would be exacerbated. He reported that the district now has an updated fleet, removing some of the older busses and replacing them with newer busses. The elimination of a seventy-one passenger bus would fail to make people happy with the bus service. He suggested that the board consider leaving this item off the list of cuts.

Chairman Vaillancourt stated the board could take the two hundred forty thousand dollar health insurance decrease and then potentially all the rest of the original money could be unfrozen. However, she personally did not think this was a wise thing to do and would like to see all of the items frozen.

Board Member Thornton stated that she was comfortable with freezing the items, if that is the decision of the board, provided the situation is revisited if more information is received regarding the NHRS. She

explained that her concern was that if the money was released and then the board realized it needed to cut more money, where would the money come from.

Board Member Markwell suggested that the board cancel all the items in tier two as well as the last several items of tier one. The last several items of tier one would be from line item 100.2210.00.8322.00 down to the end of tier one. He would like to restore field trips, furniture for Reeds Ferry School, Mastricola Elementary School and Thorntons Ferry School and co-curricular supplies and salaries at Merrimack Middle School and athletic supplies for Merrimack High School and Merrimack Middle School.

Chairman Vaillancourt asked Board Member Markwell to clarify his suggestion that he is interested in spending the money now.

Board Member Markwell stated that the reason he felt we should move forward with the field trips, co-curricular and athletic items is because it is important for students to have a well-rounded education, have good supplies to work with in athletics and have field trips so students can “see the world” and learn about museums and exhibits.

Chairman Vaillancourt asked Board Member Markwell if the money for these items was to be spent and if in a month or two from now there was a need to come up with additional money, would he be looking for the Administration to fund it from other line items.

Board Member Markwell stated that he anticipates that not all the money for the field trips would be spent from now through October because some of the field trips happen throughout the year.

Superintendent Chiafery responded that the field trips happen throughout the year. Most of the field trips have to be planned and paid for immediately so that the district does not lose the opportunity to be put into the schedule for trips throughout the year.

Board Member Markwell responded that he understood but he would still continue to support unfreezing the field trips, co-curricular supplies and salaries and athletic supplies. He stated that he hoped that if money is needed later, the savings from removing tier two and half of tier one will cover the need.

Superintendent Chiafery wanted to make some clarification. She explained that when tier one was set up, the understanding was that all of tier one would be eliminated first. She explained that if the intent is to aid the students, as far as furniture is concerned, the desks and chairs sit in tier three.

Chairman Vaillancourt explained that the tiers, or cuts, were not to eliminate the line items completely, they were a reduction. She again explained that in the event that something unpredictable was to happen, the three tiers are items that the Administration felt could be given up.

Board Member Markwell responded that he felt that there would still be a significant revenue savings if the money he suggested was spent.

Chairman Vaillancourt asked Business Administrator Shevenell to look over the figures and report back to the board what the figures would be if the money were spent as Board Member Markwell suggested.

Board Member Barnes stated that she was in favor of restoring the field trips for about thirty thousand dollars. She would also note that in April, which is the fourth quarter of the fiscal year, the actual numbers are reviewed as well as anything that supports the District Logic Model.

Chairman Vaillancourt stated that if the furniture was not restored now, it will become part of next year's budget. She questioned where the money will come from next year.

Board Member Barnes responded that she felt it was appropriate to budget the furniture for next year in case something catastrophic happens this year. She explained that if nothing happens by April, the board would take advantage of staying on track for the Logic Model and then move the money for furniture into next year.

Chairman Vaillancourt stated that the following year's budget would already have been crafted and approved by that time.

Superintendent Chiafery responded that if the board is not planning to come back and expend these items, then obviously we are going to go back, pick up the furniture that wasn't purchased and move it forward into the next budget. She stated that rather than waiting until April to look at the situation, she would prefer coming back in quarter to quarter when there would be more information.

Board Member Barnes stated that keeping the Logic Model and the schedule to replace the furniture for \$77,000 would keep us on track. She noted that she does not want the district to be "penny wise and pound foolish" by holding onto the money because it shows our fiscal conservative approach.

Chairman Vaillancourt understood what Board Member Barnes was saying and that she does not support the authorization by administration to spend any of this money at this point in time. She further stated if we were going to restore anything she would be in support of the furniture because it is something the district absolutely needs. She agreed that if during the year, once we know the final figures, she would be willing to release some of the money for the field trips and the athletics and co-curricular items.

Board Member Thornton asked if by restoring the money for field trips the board was stating that there will be no field trips or that there will be no contribution to field trips from the school district budget.

Business Administrator Shevenell responded that the parents would have to pay the initial fees plus the cost of transportation for any field trip. There would be no district contribution for any field trips.

Board Member Thornton asked if a freeze is put on all of this money now, can the issue be revisited in September or October and free up money for field trips at that time.

Superintendent Chiafery responded that this is not to be considered a done deal. It is something that can be put on every agenda every month. Tonight is the first stand. The major issue is the seventy one passenger bus because scheduling is being done now. She stressed that she had hoped that everything could be looked at quarter by quarter, suggesting that the board review it again in October. The problem is in not knowing what we face.

Business Administrator Shevenell responded to Chairman Vaillancourt's request to check on the numbers in the budget concerning Board Member Markwell's suggestion to spend some line item money and delete other specific line items. He reported that the numbers reported by Board Member Markwell were very close and that everything was all set.

Chairman Vaillancourt asked if anyone wanted to make a motion to unfreeze the money from the line items noted. She asked that the motion contain the specific information for each line item. Putting all the line items into one group would mean that some people may be in favor of one item, but not all. She suggested the items be listed separately.

Board Member Barnes stated that she was concerned with the field trips that are timed with curriculum and lesson plans.

Superintendent Chiafery explained that even if the money for the field trips was not released until next quarter, it is possible that some other school would take our place. Timing is definitely a factor.

Board Member Barnes asked that if it is decided to free the money and then it is realized the district needs some of it back, could the deposits be returned and the funds be frozen at a later date.

Chairman Vaillancourt responded that it would depend on the policy of the field trip facility or organization. Sometimes a refund is granted.

Business Administrator Shevenell noted that each field trip facility or organization determines its own cancellation policy. He added that he would put the furniture out to bid and then enter into an agreement to purchase that furniture. He agreed that the most children in the system would be affected by the field trips.

Chairman Vaillancourt read aloud the following e-mail message from Vice Chairman Ortega and requested that it be recorded in the minutes.

**From:** Ortega, Christopher (School Board)  
**Sent:** Mon 7/11/2011 9:05 AM  
**To:** Vaillancourt, Jody (School Board)  
**Subject:** July 11 Meeting - Budget Cuts

Madam Chair,

It is with regret that I find myself needing to miss tonight's board meeting due to a business engagement. I am writing you in the hope that you could share my thoughts with the School Board and the public at tonight's meeting as it relates to the agenda item entitled "Review of Tiered Budget Cuts in Relation to NHRS Rates".

As you know this increased expenditure by local school districts into the New Hampshire Retirement System (NHRS) was expected, anticipated, and planned for by this board. While we didn't know the amount to which the State of NH would reduce its contribution, we did know there would be a reduction and therefore an increase in our portion (again). It is for this reason that we have already vetted three tiers of budget cuts, each of roughly \$500,000. Additionally, it was also the board's desire, as motioned by our chairperson at deliberative session to proactively reduce the proposed operating budget by an additional \$500,959.76. As we know, that motion did not pass at that time and we find ourselves, knowingly and prepared, to make those cuts and some more.

I am encouraged that our State's government has begun to address fixing this very broken, antiquated system which represents increases in the millions of dollars annually to our budget, regardless of our efforts to manage or reduce staffing levels. It is imperative that this work continues and that this year's budget work by the state not be considered the final "reform" of the system. We, as a board in conjunction with the NH School Boards Association, need to continue to press our legislators and the Governor for the necessary reform of this system.

In reviewing the 3-tiers of proposed budget cuts we have before us, I think it is important to recognize an important fact. This trend by the State of NH in either providing us with less revenue or requiring an increased expenditure due to their reduced funding of the NHRS will likely continue for some time. As such, this should not be viewed as a one-time occurrence. Therefore, the cuts we look to make should not focus on one-time projects, which we will eventually need to do in the following year or shortly thereafter. Instead, we should be looking for those costs which reoccur year over year. In most cases, unfortunately, these are salaries and benefits which will impact staff.

The Tier-1 cuts (\$500,959.76) contain such reductions in the psychologist, substitute, paraprofessional, and assistant positions. Tier-2 cuts (\$502,117.85) contain similar ongoing expenditure savings in not replacing the two MHS

retired teaching positions. While I've stated my reasoning rather dispassionately, none of these decisions comes easily. In particular, I struggled with the \$34,679 in cuts, eliminating field trips across all schools. I looked into the Tier-3 cuts to see if there were some way of offsetting these with something else. However, everything else being considered are equipment/furniture replacement or projects that will need to be undertaken next year, or soon thereafter. I can't in good conscience kick the can down the road for the next board to resolve. My hope is that each of the schools' parent organizations could work to meet the \$2k-\$3k needed to keep these going, but also recognize how much these groups already do.

That said, I support using Tier-1 and Tier-2 proposed cuts totaling \$1,003,077.61 as a means of meeting our additional \$1,000,000 expenditure into the NH Retirement System. I reiterate that our legislators and Governor need to keep their focus on fixing this broken system whose costs to us as a District increase disproportionately every year.

I apologize for the lack of brevity.

Respectfully submitted,  
Chris Ortega  
Vice-Chair  
Merrimack School Board

Board Member Markwell moved (seconded by Board Member Barnes) to restore the field trip line items for the gifted and talented field trips for the high school; art field trips for Mastricola Elementary School, Reeds Ferry School, and Thorntons Ferry School; science field trips for Mastricola Elementary School, Reeds Ferry School, Thorntons Ferry School and Mastricola Upper Elementary School; social studies field trips for Mastricola Elementary School, Reeds Ferry School, Thorntons Ferry School, and Mastricola Upper Elementary School; guidance field trips; (skipping over the furniture that we thought wasn't essential) and also restoring co-curricular supplies for Merrimack High School; co-curricular salaries; Athletic Supplies for Merrimack High School; Athletic Supplies for Merrimack Middle School; as well as restoring the student furniture in tier 3 for Mastricola Elementary School, Reeds Ferry School, Thorntons Ferry School and Mastricola Upper Elementary School.

Business Administrator Shevenell reported that the field trip total was \$34,679, the furniture total was \$26,643 and the co-curricular items and athletic equipment was \$77,208 for a total of \$100,385.30.

Chairman Vaillancourt asked for discussion on the motion

Board Member Thornton would not support the motion as presented because there were items she felt should not be freed up.

Board Member Markwell offered to change his motion to that the co-curricular supplies and salaries and the athletic supplies for the high school and the middle school were not included.

Board Member Barnes stated that she was willing to amend her "second" in support of an amended motion.

Board Member Markwell moved (seconded by Board Member Barnes) to amend the motion to remove funding for co-curricular supplies at Merrimack High School, co-curricular salaries, athletic supplies for Merrimack High School and athletic supplies for Merrimack Middle School from the original motion.

A vote was taken on the amendment to remove those items from the original motion. The motion passed 3-0-1 with Chairman Vaillancourt abstaining.

Chairman Vaillancourt called for a vote on the amended motion.



The motion passed 3-1-0 with Chairman Vaillancourt in opposition.

Chairman Vaillancourt stated that Superintendent Chiafery would provide the board with any new information from the state and that the board could make other decisions based on the new information.

## **9. Future Board Meeting Dates**

Superintendent Chiafery noted that two school board meeting dates fall on Monday holidays. She recommended that the school board meet on Tuesday, September 6, 2011 to accommodate the Labor Day Holiday and meet on Tuesday, January 17, 2012 to accommodate the Martin Luther King Jr. Holiday.

The school board agreed with Superintendent Chiafery's recommendation.

## **10. Final Plans for Joint Meeting of Merrimack Town Council and Merrimack School Board**

In preparation for joint meeting, Superintendent Chiafery has had two meetings with the town manager and town council members. It became apparent that some additional work needs to be done on the Grater Woods Plan. A group needs to come together and operationalize what is going to happen in the future, given the fact that it involves the school board and town council. The proposed August meeting was postponed to early fall after putting together a committee to look at the plan. Superintendent Chiafery will have a date for the joint meeting by the September 6, 2011 school board meeting.

Board Member Markwell announced that he is not available on September 12, 2011.

Superintendent Chiafery requested that board members notify her of days in September they are unavailable for a joint meeting.

## **11. Other**

- **Correspondence**  
There was no correspondence to report.
- **Comments**  
There were no comments from the board.

## **12. New Business**

There was no new business to report.

## **13. Committee Reports**

Board Member Markwell stated that he had attended the Planning and Building Committee meeting on June 27, 2011 where the school board was asked if it was interested in instructing a committee to look at the high school field project as well as continuing forward with finalizing the traffic flow at Reeds Ferry Elementary School. Discussion included eliminating the option that the public library building could become the Superintendent of Schools office building. The option of constructing a new steel building for the Superintendent of Schools office building was also discussed.

Chairman Vaillancourt asked Business Administrator Shevenell to address any questions from the School Planning and Building Committee.

Superintendent Chiafery stated that she and Business Administrator Shevenell plan to meet with the School Planning and Building Committee on August 23<sup>rd</sup> to discuss the Capitol Improvement Plan.

#### **14. Public Comments on Agenda Items:**

Gary Krupp of 4 Ministerial Drive stated that he thought the handouts that were referenced by the school board during the meeting should be given to the public in attendance at the meeting or placed on the district's web page prior to the meeting so that members of the public can follow along.

Board Member Markwell replied that the information can be found in the School Board deliberative session minutes.

Mr. Krupp continued to say that the discussion tonight on restoring the funds was very interesting because his understanding of the budget process is that unless a budget item is zeroed out, Administration has a bottom line budget. As long as the bottom lines are not touched, we are not doing anything illegal. Mr. Krupp asked about the money that was already spent from the budget, questioning if it was formally released. He also asked if the money for restoring the 71-passenger bus was approved to be released. He asked if there would be any other money released as of the meeting. He also wondered if the school board was micro-managing the Administration.

Chairman Vaillancourt explained that the board does not have to make a formal motion about the transfer of money in the budget, since the voters had previously passed the budget. There was a consensus to look more into the 71-person bus but not a formal vote. She continued to say that she would be disturbed if the board was accused of micro-managing the administration and that these were the proposed tier cuts that there were discussed back in March. It is the purview of the school board to give direction to the Administration.

#### **15. Manifest**

The Board signed the manifest.

At 9:13 p.m. Board Member Thornton moved (seconded by Board Member Markwell) to recess to non-public session per RSA 91-A: 3, II (a), (b), (c).

The motion passed 4-0-0 on a roll call vote.

At 9:30 p.m. Board Member Barnes moved (seconded by Board Member Thornton) to adjourn the meeting.

The motion passed 4-0-0.