

**NHSAU 29 School Board Meeting**  
**NEW HAMPSHIRE SCHOOL ADMINISTRATIVE UNIT 29**  
**John W. Day Educational Center**  
**34 West Street**  
**Keene, New Hampshire 03431**  
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**COMMITTEE:** Advisory Committee of the N.H. School Administrative Unit 29 School Board

**DATE:** November 1, 2010

**LOCATION:** Cheshire Career Center Conference Room, Keene High School, 43 Arch Street

**CALLED TO ORDER:** 7:02 p.m.

**TIME ADJOURNED:** 9:32 p.m.

**BOARD MEMBERS PRESENT:**

<u>TOWN:</u>	<u>PRESENT:</u>
• Chesterfield	<b>Judy Idelkope</b>
• Harrisville	<b>Earl Horn</b>
• Keene	Carl Panza
• Marlborough	<b>Michael Briggs, Chair</b>
• Marlow	Stephanie Tickner Ken Dassau
• Nelson	<b>Kelly M. French</b> (arrived 7:07 p.m.)
• Westmoreland	<b>Tina Fletcher</b>

**OTHERS PRESENT:**

- Wayne E. Woolridge, Co-Superintendent
- William B. Gurney, Co-Superintendent
- Paul R. Cooper, Director of Human Resources
- John Harper, Business Administrator
- Catherine L. Reeves, Director of Special Education (left at 8:06 p.m.)

Mr. Mike Briggs called the meeting to order at 7:02 p.m. with members representing 7 district boards present.

**1. Approval of Minutes:** Mr. Briggs requested a motion for approval of the October 4, 2010 meeting minutes.

**MOTION:** Mr. Carl Panza moved to approve the minutes from October 4, 2010 and Ms. Tina Fletcher seconded the motion. The minutes of October 4, 2010 were unanimously approved.

## **2. Compensation Committee Recommendations – Ms. Judy Idelkope**

Mr. Wayne Woolridge turned the floor over to Ms. Judy Idelkope (Chesterfield), Chair of the Compensation Committee.

Ms. Idelkope began by citing SAU policy #7423, Employee Compensation as the basis for the charge of the SAU Compensation Committee. As per the administrative procedure accompanying policy #7423:

1. An annual salary and benefit budget will be established based upon consideration of the following factors:
  - a. job value
  - b. meritorious performance
  - c. inflation
  - d. the local economy
  - e. information about similar positions within the appropriate job markets for each job classification
2. Job value will be determined by knowledge and training required, difficulty and complexity of duties, and responsibility for supervision.
3. Whenever the Board determines that, based upon information gathered by salary surveys or other sources, a range adjustment should be made for a specific job classification, every effort will be made to maintain all employees in that classification at their same relative positions.

Ms. Idelkope thanked fellow compensation committee members for their time and service to the process. The following members served on the committee this year: Mr. Carl Panza (Keene), Mr. Earl Horn (Harrisville), Mr. Mike Briggs (Marlborough), Dr. Ken Dassau (Marlow), Ms. Deb Hunter (Westmoreland), and Mr. Paul Cooper (Director of Human Resources).

Ms. Idelkope further shared that due to the short time allotted to develop recommendations, only salary adjustments and a review of health insurance benefits occurred during the compensation committee meetings. No changes were made to life insurance, long or short term disability or course reimbursement benefits.

The Compensation Committee made the following recommendations:

1. Increase the salary budget for hourly employees to \$787,608 and the administration salary budget to \$1, 059,444. (This represents a 2.5% increase for hourly employees and 2.0% for Administration/Salaried Employees with some restrictions.)
2. Establish an equity increase pool in the amount of \$2,500.
3. Decrease the contribution rate for health insurance benefits from 88% to 85% of the current HMO plan. Offer lower cost (i.e. higher

deductible/co-pay) insurance plans to allow employees to reduce their contribution to premium costs.

4. Revise the Salary ranges for the Business Administrator/Director of Human Resources positions and the Senior Accountant position to the following:
  - Senior Accountant: minimum \$48,000; maximum \$62,500; midpoint \$55,250
  
  - Director of Human Resources/Business Administrator: minimum \$79,000 - \$103,000; midpoint \$91,000
5. Establish a standing Compensation Committee, appointed annually at the SAU Board's spring session, composed of representatives from the District Boards, to establish the annual salary and benefits budget as prescribed in administrative procedure.

Ms. Idelkope stated that the five recommendations listed above were unanimously supported by the Compensation Committee members. Ms. Idelkope shared the following details relative to the recommendations.

1. The committee recommends a 2.5% increase for hourly staff and 2% for salary staff. Those not eligible for the increase include the two senior level administrators who will be retiring by 2014 (and will be receiving an 8% salary increase due to the retirement benefit) and those who don't meet the minimum requirements of their positions. The committee reviewed the most recent CPI (Consumer Price Index) data and the Culpepper Compensation Survey.

The committee recommends an increase from 12-15% for health insurance premium contributions with a range of increases for single subscriber (\$297) to family plan (\$802). The committee reviewed increases under current contracts within the SAU and gave consideration to the salary freeze implemented last year.

2. Equity increase pool established at the discretion of the Superintendents for the senior accountant and director of curriculum and assessment positions. The scope of responsibility and the skill set of the senior accountant was reviewed and determined to be of value and that it would be difficult to replace the current employee and find someone of the same caliber, with the expertise and knowledge of the organization. The Director of Curriculum and Assessment was hired at the low end of the position pay scale. The employee has exhibited growth in the position and the market value for this position supports the decision to offer an equity increase.
3. Decreased the health benefit contribution for the SAU from 88% to 85% - bringing the organization in closer alignment with

constituents. Most hourly employees will realize a .4-1.4% salary increase after health insurance contributions with similar range for the administrator group. The committee also recommended offering lower cost health insurance plans whereby employees could opt for plans with a zero dollar increase.

4. Committee recommended revising the salaries for the Business Administrator/Director of Human Resources and the Senior Accountant positions.
5. Final recommendation – to establish a standing compensation committee (under SAU policy #7423). With employee salaries and benefits constituting 85% of the SAU budget, the belief is that the process merits a standing committee with time given to review data and formulate recommendations.

Discussion ensued regarding health benefits and how SAU 29 benefits compare to area SAUs and employers. Ms. Idelkope noted that it is more important for Central Office employees to be in line with other employees in the SAU and surrounding districts.

Discussion ensued briefly regarding the purpose of the retirement stipend and when the policy came into play. Mr. Harper read the following excerpt from the aforementioned policy (#7430):

“Any full-time SAU 29 central office administrator with a minimum of ten years of service\* whose age plus years of service equal 70 shall be paid additional compensation in up to the final three years of employment with SAU 29 in accordance with the following formula:

$$.005 \times \text{years of service}^* \times \text{annual salary}$$

To be eligible for this compensation, the central office administrator must give written notice of his/her intent to retire not later than October 1 of the school year prior to the first year in which s/he is eligible to receive the payment. The decision to retire may only be rescinded in writing at any time prior to July 1 of the year in which the early retirement stipend will begin. \*For purposes of this calculation, years of service shall include years as a central office administrator in SAU 29 or as a principal, assistant principal, teaching principal, administrator, or director in any of its member districts.”

Discussion ensued.

### **3. Presentation of NHSAU 29 Proposed Budget: 2011-2012: Mr. John Harper**

Mr. Woolridge shared the following overview of the SAU 29 administration’s recommendation for the 2011-2012 budget.

The operating expenditure budget totals \$2,768,328, an increase of \$106,029 or 3.98% for the year. The total impact of this budget that will be paid directly by the member SAU school districts is \$2,426,698, an increase for the year of \$62,196, or 2.63%. This figure is less than the \$2,442,795 paid by member districts to support the 2009-10 budget.

Personnel costs continue to constitute the majority of the budget, amounting to over 85% of the total. Changes in employee salary and benefits reflect the recommendations of

the SAU Compensation Committee. Those recommendations include cost of living adjustments of 2% for administrative and 2.5% for hourly staff, inclusion of a \$2,500 staff equity pool, early retirement stipends for two administrators as well as a decrease of employer health insurance contributions from 88% of premiums to 85%.

The budget reflects a staffing change to increase the director of technology position (currently a 70% contract service position), to a full-time staff position in 2011-12. Additional salary and benefits costs associated with this change increase the budget by \$44,217.

Other items of note include an additional \$31,373 in budgeted assessments to the New Hampshire Retirement System as well as the continuation of \$10,000 included in the current budget to assist in costs related to the move to the new SAU office building on Maple Avenue in Keene – slated for early in the 2011-12 fiscal year.

It was also noted that \$50,000 was carried over from the 2008-09 budget surplus – a decision made during the 2010-11 budget process. That figure when combined with the application of \$175,727 from a total surplus of \$200,727 from fiscal 2009-10, results in a revenue increase of \$43,833. The remaining \$25,000 would be reserved for application against member allocations required to support the 2012-13 budget, at the recommendation of the Business Administrator.

Mr. Woolridge turned the floor over to Mr. Harper, Business Administrator, to speak to the details of the 2011-2012 budget.

Mr. Harper began by referring to section 2 in the budget books, page 1 of 16, Expense Budget Summary.

Mr. Harper noted the following from the expense budget summary:

- Salaries and benefits reflected on the top two lines and represent the increase in the budget based on recommendations of the compensation committee and expansion to a full-time technology director.
- Reflects the increase in the New Hampshire retirement account
- Minimal increase in health insurance. Employees paying 3% more of insurance premiums than previous year.
- Increase for postage and telephone accounts.
- Decrease of \$10,000 (-31.25%) for advertising accounts.
- \$20,000 available for moving expenses (document shredding, etc.) related to the relocation to the Maple Avenue office building.

Discussion ensued regarding the increase in mileage/workshop expenses with notation made regarding the addition of a Director of Curriculum and Assessment and the need to attend workshops throughout the year.

Mr. Panza (Keene) noted the line item for building and operating expenses (\$97,500) inquiring whether or not there will be significant savings to this line item with the move to the new, more energy efficient building on Maple Avenue.

Mr. Harper responded that it would be difficult to predict the cost savings at the moment.

Ms. French (Nelson) noted that the architect has cited savings per square foot for the new energy efficient building, giving the board the impression that there will be significant savings to the operating expenses of the new building.

Discussion continued regarding the manner in which Mr. Harper builds the budget (level funded each year).

Mr. Harper next reviewed page 2, Revenue Budget Summary, by noting the following:

- Last year the board was asked to reserve \$50,000 from the 2008-09 budget, bring back in the next budget to balance the fluctuating surplus. The 2009-10 surplus is also reflected here.
- To support the 2011-12 budget (\$175,727), will reserve \$25,000 for next year to balance the roller coaster effects of the budget.
- Over two year period the assessment to member districts will be less than has been over the past two years.
- Revenues include interest on bank accounts and service fees for special education grants as well as Medicaid revenue reimbursements.
- Special district apportionments include the town business administrator, a half-time administrative assistant, and the special education coordinator for towns.

Mr. Harper reviewed page 3, Total District Share, by noting the following:

- Reflects the budget by individual district – driven by the relative share of property wealth for each community.
- The number of students in a town affects the apportionment.
- Typically some fluctuation from year-to-year.

Mr. Harper reviewed page 4, General Distribution, and noted the following:

- Items include those not in the special apportionment.
- Keene typically 70% (69.29% this year) and towns typically 30% of the general apportionment.

Mr. Harper reviewed page 5, Special Apportionments and noted the following:

- 50/50% apportionment share
- Special education coordinator and town business administrator listed

Mr. Harper reviewed page 6, 50/50% Apportionment Positions and noted the following:

- 50/50 positions split by Keene and towns.
- Includes salaries and benefits for superintendents and administrative assistants.
- Includes salaries and benefits for special education administrative assistant and payroll clerk.

Mr. Harper continued to review the remaining pages in the 2011-2012 budget including highlighting pages 10 and 12 detailing Harrisville and Marlborough shares. Mr. Harper reminded the group that student numbers are based on attendance in schools not students in residence. Finally, Mr. Harper referred to page 16 which details the costs shared by all districts as well as the costs outlined by town districts only.

Mr. Horn asked where the Superintendent's and Business Administrator's stipends are reflected in the budget. Mr. Harper indicated that the stipends are reflected on page 2, last section under the Munis budget. The stipend is not considered part of salary and is reflected under general administrations.

Discussion ensued regarding new building and cost savings that will be realized. Once the SAU vacates the building, as per lease agreement, there will be no more expense impact on the SAU. If the building does not sell right away, maintenance costs will belong to Keene.

Mr. Briggs asked Mr. Woolridge to speak to the increase (\$44,000) for the technology director for salary and benefits. Mr. Woolridge shared that two years ago search was conducted for a full-time technology director to replace the former director who was out on long-term disability. As of last year, the SAU is no longer paying long-term disability for the former employee. Given the state of the economy a year ago, decision was made to hire a .7 contracted services person to serve as director of technology. By the end of last school year, the administration realized there were several big projects not being managed successfully. Technology is becoming a greater part of the organization and education in general. The Common Core involves technology as an interwoven piece of the curriculum. By adding the additional \$44,000-45,000 to the budget for this position, the hope is we will successfully fill the position.

Mr. Woolridge will put together a justification for the salary and benefits increase for the Director of Technology position for the November 29 SAU meeting.

Ms. Idelkope questioned whether the issue has been with the current technology director or due to a lack of technicians. Mr. Woolridge responded that according to the director we are properly staffed with technicians.

Discussion ensued regarding the last search for a technology director and the goals for the upcoming search.

**MOTION: Mr. Panza moved to recommend the budget in the amount of \$2,768,328 and move it forward to the full board November 29, 2010. Ms. French seconded. By a unanimous voice vote the motion passed.**

**MOTION: Mr. Briggs moved to amend the budget presented to reduce the building operating expenses by \$15,000 and the supply budget line by \$10,000. Ms. French seconded.**

Discussion ensued. **By a unanimous voice vote, the motion passed.**

**MOTION: To recommend the 2011-2012 budget in the amount of \$2,743,328 to the full SAU 29 Board on November 29, 2010. By a unanimous voice vote, the motion passed.**

Mr. Horn suggested that going forward the Compensation Committee should revisit the retirement stipend policy to determine whether or not it is necessary to continue this incentive. Perhaps the reasons the policy was put into place initially are no longer relevant and that it makes sense to review common practice across the state.

Ms. Idelkope suggested that the SAU look at moving to a zero-based budget approach and needs assessment rather than building on the previous year's budget. Ms. Idelkope feels the budgets will be more defensible to taxpayers using the zero-based approach. Consensus among several in the group that it would be prudent to develop the SAU budget similar to the way the towns set up their budgets.

Ms. Fletcher suggested that a capital reserve fund be established for the new Central Office building.

#### **4. Winchester/Surry Request Review – Dr. Ken Dassau**

Mr. Woolridge gave a brief synopsis of several recent meetings he had with Dr. David Crisafulli (Assistant Superintendent SAU 38), Ms. Colleen Duquette (former Winchester board chair), Dr. Ken Dassau (former SAU 38 Superintendent), Mr. Briggs (Marlborough), Mr. Panza (Keene), and Mr. Gurney regarding Winchester and Surry and the possibility of the districts joining SAU 29.

Mr. Woolridge turned the floor over to Dr. Dassau to present a draft proposal of estimated costs should Surry and Winchester become part of SAU 29. Dr. Dassau's calculations were completed using 2010-2011 SAU 29 Salary Ranges ("mid range"). Dr. Dassau's intention on behalf of Winchester and Surry is to determine at the Advisory Committee level if a task force to study the proposal further makes sense for SAU 29 and if the committee is interested in recommending further study to the full SAU 29 Board.

Due to the breakup of SAU 38, Winchester is effectively on its own in SAU 38 now. Surry is requesting services through SAU 38 through the end of the year. Surry currently tuitions students to Keene. Winchester and Surry are similar to other SAU 29 districts and their students attend Keene High School.

Dr. Dassau mentioned that a benefit to SAU 29 may be that adding the districts and their support services could alleviate time for the Superintendents' services.

Discussion ensued.

The committee decided to add the agenda item to discuss the Winchester/Surry request to the November 29, 2010 SAU Board meeting (following the budget discussion).

## **5. Other**

Mr. Briggs suggested it makes sense to start the ball rolling on the succession plan for Mr. Woolridge who intends to retire in 2014.

Mr. Cooper added that the SAU last put health insurance out to bid five years ago. Currently the SAU is with the Local Government Center. With the shift to higher employee contributions to health insurance premiums, employees have a vested interest in saving money where possible without reducing benefits. Mr. Cooper proposed two ways the board could proceed – to use a broker compensated by the insurance carrier selected or hire an independent broker to come up with good solid plan options. The first method is commonly used though the SAU ran into issues the last time this was done. The second method is fairly expensive (ballpark number to conduct the study – approximately \$80,000).

Discussion ensued.

Mr. Cooper stated that he can begin the conversation with bargaining groups.

**MOTION: There being no further business to come before the committee, Ms. French moved to adjourn the meeting. Mr. Horn seconded. The meeting was adjourned at 9:32 p.m.**

*Respectfully submitted,  
Cathy Dieter*

**APPROVED: 6/27/11**