

Franklin School Board Joint Finance Committee with City Council Minutes
Franklin Middle School – Bessie C. Rowell Memorial Library
March 28, 2017
At 6:00 PM
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Present: Superintendent Daniel LeGallo, Business Administrator Amanda Bergquist, Tim Dow (Franklin School Board Chairperson), Deborah Brown (Franklin School Board Member), Scott Burns (Franklin School Board Member), Tony Giunta (City Councilor), Bob Desrochers (City Councilor), Elizabeth Dragon (City Manager), Judie Milner (Finance Director), Jim Wells (City Councilor), Janet Desrochers (Franklin Resident), George Dzujna (City Councilor), Heather Moquin (City Councilor), Olivia Zink (City Councilor), Cathy Viau (School Board Clerk)

Mr. and Mrs. Jeff Savary; Scott Clarenbach (City Councilor); Scott Burns (School Board Member); Mayor Ken Merrifield; Gerard Desrochers (Hill Resident); Steve Barton (City Councilor)

Tony Giunta called meeting to order at 6:06 PM

FY2018 School Budget Update

Superintendent Daniel LeGallo stated that last week the board proposed budget of \$15,363,063.39 (which is .4% over the current year's budget) was sent to the City Manager and Finance as well as City Council. A letter explaining how this budget was attained was sent along with the budget. It also explained the importance of the key date of May 12th which is when teachers must be notified if they will be laid off.

School Board Chairperson Tim Dow explained that the original budget given to the superintendent from administration was \$16,004,262.87. \$430,894.68 was cut before it was presented to the school board and the Finance Committee. The budget was then sent to the Finance Committee who then cut \$44,000. The School Board then cut \$210,104.68. The total cut from the original budget is over \$650,000.

The budget presented to the city was an increase of .4% or \$58,675.39.

The SAU budget will now be included in the Franklin School District budget. Last year's approved budget was \$15,304,388. This year's proposed budget is \$15,363,063. This is the earliest that the school has been able to present to the city in many years. Everyone was thanked for helping with the budget process.

Public requested to speak and it was stated to be added under OTHER BUSINESS.

Consolidation Discussion

Judi Milner (City Finance Director) and Elizabeth Dragon (City Manager) presented information regarding consolidation/collaboration in a power point named "ATF - Accountable and Transparent Financial Services". This PowerPoint from the city included information regarding the following topics:

- Challenges (Shrinking Revenues, Taxpayer's can't pay anymore, large sector of community straining all services, and rising costs)
- Solutions for the future and now (outside the box thinking)
- Why?
- What will it look like?
- Conservative Savings and other compelling reasons to combine offices
- What do we have going for us?

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- What's standing in the way?
- What's next?
- Discussion

The proposed savings would be approximately \$70,000 the first year and \$40,000 the second year. Discussion was held regarding human resources, payroll, multiple CBAs, consolidated purchasing, business model change, rental fees, accounting software, audits, postage, grants, perceived loss of control, fear of change, will take lots of work and time, pay cycle for each department, project schedule, start up fees, etc.

Mrs. Milner and Mrs. Dragon were thanked for their efforts. An email was sent to City Manager Dragon requesting to put off discussion of this topic until July 2017. The reason is that there are many priority items that the district is working on: School budget shortfall, negotiations with Support Staff and Custodians, accreditation, separation of the SAU, possible healthcare transition, hiring of an elementary school principal, strategic planning completion, etc.

Discussion was held regarding a possible bond or note for the FMS roof and RFP.

The board previously agreed that they did not want consolidation. The chair is willing to put it on the agenda but feels it will fail. If consolidation is approved it is the goal of the city to begin January 1, 2018. Once a decision is made a schedule will need to be put in place and implemented. The City Manager asked on several occasions why the board does not want to consolidate. The City Manager stated that the school would still have the same control as they currently do. It was stated that the board feels that trust is a big issue and it will take time to heal especially with what is being said out in public in social media.

Discussion was held regarding the potential \$1.2 million shortfall for the school district.

The topic of consolidation will be brought forward to the board in April to obtain a consensus (not a vote).

There is a lot of inaccurate information out there, the two boards are working hard to solve problems and move on. The presentation will be included in the board packet. The meeting begins at 6:30 pm.

It was stated that "we" need to do something different. Federal and State money is drying up. The days are getting darker. What are we going to do? Discussion was held regarding the local income median for social security and families. Funding is a serious issue. Its pure economics and you cannot make anyone do anything. If teachers keep getting cut there will be schools with no teachers. The district already cut \$650,000 from the budget. This could work towards the solution. No one wants to waste anyone's time if there is no interest in consolidating. Are there any other cities doing this? There was one starting the process but is stopping. Laconia is looking at a similar model and possibly Newport. Confirmation of this needs to be done by the City Manager and report back to the Superintendent.

Upcoming discussion with Commissioner Edelblut

Commissioner Edelblut won't have all of the answers but can get questions to present. Nothing is off the table. Discussion was held regarding grant funding and potential of flexibility of spending request. They are not completely confident that this is possible. Discussion was held regarding school tours

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OTHER

Public comments....

Mr. Clarenbach stated schools are important to the community and housing is a struggle. He shared his concerns regarding pink slipping so many teachers, the shortfall of over a million dollars each year and reinvention of how we educate our students and the need to share this concern with the commissioner regarding funding of education at the governmental level.

We only get one chance to educate out students. We are not able to provide the students with an adequate education. We need to raise the bar and feel empowered. Discussion was held regarding the tax cap. Can't do business as usual with less.

Mr. Dzijuna stated that we must use all the tools in the toolbox such as the consolidation. We can't break the tax cap as it will happen again it would need to be put on the voting list. He requested to know why the board is against consolidation.

Other cities failed with consolidation.

Municipal Services will be increasing the water rates.

Janet Desrochers asked if the budget is sent to city council under the tax cap. She stated that City Council goes to School Board Meetings but School Board does not go to City Council Meetings. The School Board wants but doesn't offer anything. Is the school board doing the same to present. Is there a policy regarding bringing up the consolidation vote again if it is defeated such as time frame.

It was stated that if it is defeated, it cannot be brought for one year and only by someone on the winning side.

The City can't control what the board does with the money. Schools are part of the community. We need to have good schools. We currently have great teachers but not great schools. A measurement of outcomes should be part of the Strategic Plan. There should be no pressure regarding consolidation. We are all doing the best by all schools, roads, police, etc. We are in the perfect storm. There is a decline in student population but we are not alone in this. The government at the state and federal level do not support education. There is a greater need for services and below average median income in this city. There is a housing problem in Franklin.

There are 40 students in charter school, 4 private school, and 131 home schooled. The school receives \$3,400 per child from the state for the students in the school.

Discussion was held regarding Senate Bill 193.

It is going to get worse before it gets better. There will probably be more homeschooled. Enrollment is declining nationwide. There are fewer children per family. There are 175 students not in attendance at the Franklin Schools.

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There are 72 teachers, 126 support staff, and 20 other positions. With courses not being run, must be sure all staff is certified in specific areas of education which could be a problem.

Meeting adjourned at 7:36 PM.