

New Durham Board of Selectmen
Minutes of Meeting ~ March 30, 2009
Town Hall

Members present: Ronald Gehl, Chairman and Theresa Jarvis, Selectman

Absent with Apologies: David Bickford, Selectman

Also present: Town Administrator (TA) April Whittaker, Financial Assistant Vickie Blackden, New Durham School Principal Barbara Reed, Parks and Recreation Director Jessica Bailey, Creative Kids Club Director Laura McCarthy, Pre-school Director Jessica Arsuaga, Parks and Recreation Commissioners Sheri Joy, Kristyn Bernier, Al Koehler, Jennifer Nyman; Mike Gelinias, Ryan Noonan

1. Call to Order – Chairperson Ron Gehl called the meeting to order at 7:03 p.m. and asked those present to introduce themselves. He gave an overview of the purpose of the meeting, saying the Board asked all parties involved in Creative Kids Club and the Recreation department’s pre-school to get together to chart the future of the programs. He said a roundtable meeting was an opportunity to hear concerns, along with positives and what benefits the programs provide. He said the hope was to come to a consensus for a management structure. He noted the programs are valued, but the Board’s priority is to serve the citizens and ensure that volunteers are not strained regarding oversight of the programs.

2. Discussion

New Durham School Principal Barbara Reed filled in the background of the daycare program. She said in 1995, interested parents, mostly PTO members, saw a need for before and after-school care for latchkey children in the community. An RFP (Request for Proposals) was sent out for an organization to run such a program. The Rochester YMCA and Rochester Daycare both responded. Rochester Daycare seemed the better fit for the school and a program was set up with the agreement between the school board and Rochester Daycare. The school provided the space, with oversight by the parent committee. She said the program went well but there was low attendance.

Ms. Reed said Laura McCarthy took on the program, working through Rochester Daycare, in 1996 and ran it for the next four years. The oversight committee left. In 1996 the program was open to children in grades 1-6 and served four children. Children who attended afternoon kindergarten were taken the following year. Ms. Reed said Rochester Daycare applied its rules in regard to the public school children and did not want to run through school vacations or have part-time children. She said Ms. McCarthy took over the program in 2001, but since the Superintendent of Schools said the school could not be a fiscal agent, an agreement was drawn up between the New Durham Recreation Department and the Governor Wentworth Regional School District allowing the Town to be the fiscal agent. The program was to be Ms. McCarthy’s and self-supporting.

Town Administrator April Whittaker asked if the program was set up as a separate fund. Ms. Reed said it had to be in the revolving fund; but was kept separate within that. She said former Recreation Director Russ Perrin did the negotiations with former TA Bill Herman, so that in the fall of 2001, Creative Kids was created. Ms. McCarthy said attendance grew to 25-30 children a day. Ms. Reed said it benefited the school, as Ms. McCarthy could take children who missed the bus, or were unexpectedly at the facility without supervision. She noted a distinctive flavor in terms of the way the school and Ms. McCarthy worked together to take care of children. She said if it was felt a child was better off in daycare, the school sometimes paid or no one paid. Ms. McCarthy said daycare tends to be a roller coaster regarding attendance. She said she sometimes had only four children, but at other times there would be more. She said it serves as a niche for parents who don't need full-time care. She said in 2006-07, the program served 87 families, counting those who attended more than once, and in 2007-08, 107 families. It was further noted that the Creative Kids Program was virtually year-round as opposed to school opening times only.

Chair Gehl asked if the arrangement between the school and the program was that the school provides the space. Ms. Reed said the school was supportive and also provided incidentals such as computer access, but not supplies. Ms. McCarthy added the school also provided occasional photocopies and use of gym equipment. Selectman Terry Jarvis asked if the program ran during school and summer vacation. Ms. McCarthy said the program is open from 6:00 a.m. until 6:00 p.m. during those times. Ms. Reed said some vacation weeks' need is insufficient to warrant running it. Ms. McCarthy said the minimum was four children, and that a sign-up sheet goes out to parents a month prior to vacation. Chair Gehl said it was clear there was a symbiotic relationship between the school and the daycare program.

Ms. McCarthy said the program provides care from 6:00 a.m. – 8:55 a.m. and then from, 3:20 p.m. – 6:15 p.m. She said some children are in both groups, but the morning group is generally larger. Children are dismissed for breakfast in the morning, or eat a brought breakfast.

Chair Gehl asked about how the pre-school came into existence. Parks and Recreation Commissioner Sheri Joy said she checked the minutes of the meetings, which indicated Ms. McCarthy asked the Commissioners to expand the daycare on July 8, 2008. Ms. Reed said the school district housed an integrated special education pre-school program in New Durham this year. Previously, the special needs population had to travel to Wolfeboro for pre-school, and those whose parents worked had to remain in daycare in Wolfeboro. She said this year the special needs population was enough to have a program in New Durham, but there was no daycare associated with it. TA Whittaker indicated it was partnered with Ms. McCarthy's daycare program. Ms. Reed said the children attended pre-school in the morning, had lunch and a nap, then went into Ms. McCarthy's program.

Ms. Joy noted that the Governor Wentworth pre-school is separate from the Parks and Recreation. She said Ms. McCarthy asked in July to expand her program to include pre-

school aged and kindergarten kids. Ms. McCarthy obtained state licensing and at the October 14, 2008 meeting, the Commission agreed to expand the Creative Kids program to include those younger children. She said after that, it morphed into a pre-school, yet the Commission had voted on "daycare, not pre-school". She said the Commission voted again on "daycare" to clarify the issue. She said the Recreation Director later notified the Commission that the "pre-school" was operating at a deficit. A vote was taken to cut back on staff. She said the Commission understood the fee for care was \$20 a day, but that was changed without input from the Commission to \$10 a day for the pre-school. Pre-school Director Jessica Arsuaga restated that the daily fee was \$20, but \$50 for the full week. Ms. Joy said there had been no vote on the issue by the Commission. She said before Ms. McCarthy requested the expansion in July to serve younger children, an integrated pre-school was in Wolfeboro. She said the Commission voted for expansion to younger kids of its daycare, but that it changed to pre-school without the Commission's vote.

Ms. Reed said afternoon care made it possible for children in the integrated pre-school to remain in New Durham, as the care was then all day. She said the number of slots available in the integrated pre-school is limited, but many parents in New Durham wanted a pre-school. Ms. McCarthy said the program fills in the blanks for those who need daycare in the pre-school that stops at 11:50 a.m., and for those in morning kindergarten. She said there were five kids and two staff members. She said she took responsibility for changing the name of the program to pre-school, as Ms. Arsuaga was providing curriculum. She said it is a question of labeling, and a lot of parents needed pre-school for their children. She said she went to the Commissioners to say the name needed to be changed. Selectman Jarvis asked if in October 2008, the Commission voted to return to straight daycare, and was made aware the program was in the red. Ms. Joy said the fees of \$10 a day could not cover the cost of the employees. She said state funding was received for some of the children but their parents were not making up the difference between state funds and actual program fees, and that the concrete numbers were never supplied to the Commission. She said Ms. McCarthy explained the difference between a pre-school and daycare at the October 30 meeting and that structured, educational time was being provided, so the Commission agreed to continue as a "pre-school". Chair Gehl stated, by virtue of the program's content. Ms. Joy agreed, and added that parents had signed up for a pre-school. She said there were serious money issues. She said monies of the two programs were co-mingled, and the Commission separated them. She said both programs were in deficit. She said the Commission has had many meetings since October, and therefore the Commission was surprised about the Roundtable meeting being called, especially since two selectmen had attended previous Commission meetings. Chair Gehl pointed out that those two selectmen were not present tonight and that one selectman can never do anything alone. He said the Board had only heard bits of information here and there and was trying to get the whole story with all stakeholders in the room at the same time.

TA Whittaker presented a report addressed to "To Whom it May Concern" that was brought to her attention. She indicated it was essentially a status report. Kristyn Bernier stated it was something in writing. TA Whittaker said it was not a complaint, but it was brought to the attention of the Board. Due to time spent on what was then the current

budget season, the matter was put on the back burner. She said the meeting was called to see how the Board could facilitate the Parks and Recreation department. She said it was an attempt to get everyone together so everyone could understand. Ms. Joy said she assumed the department and programs were on good footing since at the Commission's last meeting the report was that the programs were going well. Chair Gehl said the Board heard concerns about the fees. He said this meeting is a chance to understand and come to a consensus on how to move ahead. Ms. Joy said the pre-school fee was increased to \$15 a day to get the program solvent. Ms. McCarthy said children attending full-time pay \$50 a week. Ms. Joy again said some parents are not making up the difference from the state funding.

Ms. Bernier said the concept of a weekly cost of \$50 and drop-in charges of \$20 was to help secure signed contracts. TA Whittaker asked if the Commission was content with the rate now. Ms. Joy said the Commissioners were happy with \$15 a day for the pre-school from noon until 4:00 p.m. Recreation Director Jessica Bailey said the after school daycare is a separate program, and adding the pre-school does not affect Ms. McCarthy's after school program. Ms. McCarthy said parents of pre-school children pay an additional \$5 if they want to extend care into the after school daycare program.

Selectman Jarvis asked about fee schedules. Ms. McCarthy indicated \$55 a week for both morning and afternoon sessions, \$37 a week for morning or afternoon only, and \$8.50 per session for drop-ins. Ms. Arsuaga said the rates increased March 1, 2009. Ms. Joy said the Commission would know numbers at its next meeting. Ms. Bernier said the pre-school is still \$3,000 in the hole, after the surplus from 2001 was brought forward. She said Creative Kids Club is also in deficit, with a deficit total for the two programs approximately \$6,600 out of the revolving fund. Ms. Bernier indicated the programs would continue and that there were no plans to alter the program structure. She said all the time spent on the problem could have been prevented if staff had brought forward information that had been requested. She said the pre-school was still in flux and the question was if it could fund itself. Chair Gehl asked if she saw a need to support it, regardless of money issues, and she replied, absolutely.

Selectman Jarvis brought up the statutory definition of a pre-school. Ms. McCarthy briefly described the daycare activities, ranging from games, snacks, arts and crafts, outside play, field trips, homework time, and physical activities. She said a pre-school is a named entity, which it is licensed by the state, and that Ms. Arsuaga is taking classes. Ms. Arsuaga said parents wanted a pre-school. Her curriculum includes numbers, letters, sign language, and work on fine and gross motor skills. Chair Gehl noted that was in alignment with the state's definition of a pre-school. Ms. Arsuaga said a pre-school must have a set curriculum, and cannot be over five hours. She said she holds a Bachelor's degree and has taken education courses. Ms. McCarthy said the state has reviewed Ms. Arsuaga's transcript. Ms. Arsuaga said the state suggested she take an administration and a special education course. Ms. McCarthy said she has a year in which to take the courses. Chair Gehl noted, with the recommendation and full blessing of the state.

Selectman Jarvis asked if a child could attend one pre-school and then another, wondering if that would put a child over the allotted five hours. Ms. Arsuaga said two children feed in from the integrated pre-school, and one of those children receives more playtime. She said the pre-school follows the school schedule.

Chair Gehl said he was hearing broad support for both programs, but that there was concern about funding and state funding. He asked if there was other staff input. Ms. McCarthy said the Commissioners have been working hard and have been gracious to the staff. She said she was unsure of what they were asking for at first, and that it took a while to straighten things out regarding separating the programs to generate figures, hence the delay in reporting. She explained when the program first started she was on her own essentially, but having Parks and Rec to back up the program has helped in collecting revenues. Ms. Arsuaga said the pre-school was serving 15 children, but that number dropped to 11 after the rate increase. She said the initial start up costs for the program proved to be problem. She indicated the program may receive a grant, and said that money is slowly coming back. She added that she is also working on fundraisers too.

Selectman Jarvis asked about liability. Ms. Joy said the programs were covered under the Parks and Rec department. TA Whittaker added through the town's property/liability insurance plan. Chair Gehl said when he first joined the Board, his impression of the daycare was that it runs but no one was quite sure how. He said the Board directed TA Whittaker to ascertain what was transpiring, which has resulted in more scrutiny than in the past. He said that scrutiny is healthy, as the Board is charged with wise spending for the taxpayers. He said the Board was not trying to place a paperwork onus on anyone, but that the Board must answer to the auditors and the taxpayers. He said he hoped it would no longer be a struggle for the Commissioners. Ms. Joy said the Commission had to worry about the situation if the money comes out of the revolving fund. She said the chain of command must work so the Commissioners do not have to spend hours working on numbers for the two programs.

Chair Gehl said it falls under state regulations and that you can't do anything beyond what the legislature has allowed. TA Whittaker provided copies of RSA 31:95-h regarding revolving funds and said the Parks and Rec revolving fund was set up by farsighted Rec directors in the past because new programs can take a while to get established, and the revolving fund serves as a catch all for programs. She said programs in the black pick up what programs in the red lose. She said the money there now is stated and known as the "02 fund" for accounting purposes. She explained that Financial Assistant Vickie Blackden split it out to account for the revolving funds. She told the Commissioners that the Town would like to tackle this like a budgetary department. From there, the cost of running the program will be known in order to easily determine the necessary fees. She said no current year is budgeted here, and that she and Ms. Blackden would assist in establishing a yearly budget. Ms. Joy said the Commissioners have been suggesting this since October 2008. Ms. Bernier said that was the process she used to come up with the fees, although it was still like "throwing a dart". TA Whittaker commended her. She said she and Ms. Blackden would work with Ms. McCarthy and Ms. Arsuaga and do it for the Commission. Chair Gehl said regular

updates would then be available for tracking. Ms. Joy said that task should have been handled by the Rec Director and program directors, but the Commissioners were not getting any information so they had to do it. Selectman Jarvis said the Commission is responsible for the revolving fund, and if the program director drafts the budget and brings it to the Commission, it would not have to come to the Board of Selectmen. Ms. Bernier said there has been no oversight, and that the Commission took the word that the programs were okay.

Selectman Jarvis asked about the chain of command. She restated her understanding that the Board appoints the Commissioners, the Rec Director reports to the Commission for programs, and the pre-school director reports to Ms. McCarthy, then Ms. Bailey for funding and programming. Ms. Bailey said Ms. McCarthy also reports to her. Ms. Reed reminding those present of the history of the program and said the Parks and Recreation department provided for liability, but did not provide oversight. She was not aware of the Revolving Fund responsibility. Chair Gehl said there should be a central source of tracking. Ms. Joy said the chain of command was made clear. Chair Gehl asked if the Commission requested being centralized with the Town's accounting. Ms. Bernier pointed out that the revolving fund covers many things.

TA Whittaker said Ms. Bailey has a handle on the athletic/program aspect of her budget. She said she and Ms. Blackden plus staff would set up an operational budget draft for the Creative Kids Club and pre-school, and then have it presented to the Commission. She said the expectations from the two programs would be that money (revenue) comes in and is reported for that week. She said that would increase the workload on the program staff, but the Town should not defer management duties to the volunteers. She said a format was needed. Ms. Bernier said the revolving fund was set up to pick up the slack, but the Commissioners made it clear that the daycare and pre-school have to sustain themselves. Ms. Joy said they supported the programs, but they were walking a fine line by supporting the daycare on public funds.

Chair Gehl said the Town was suggesting segregating all revenues and have only those support the daycare and pre-school. Ms. Bernier said it was unknown how much those programs owe the revolving fund, as the programs go up and down. She said the revolving fund was down \$6,500 and that was too much. She added that the revolving fund was set up for athletic and recreation programs. Ms. Joy said the Commission needs to be given all the information. Selectman Jarvis said once a budget is produced, the monthly reports will help. Chair Gehl added that that aspect will be a piece of cake. Ms. Bernier said it would be helpful for the staff, also.

Selectman Jarvis asked if there is an annual review for adjustment of rates. Ms. Bailey said there has not been; Ms. McCarthy decides. Chair Gehl said that can be approached like any other Town budget to help set the fees. He said TA Whittaker and Ms. Blackden will help with the draft and recommendations for a fee structure, also. He asked the Commissioners to review other lines that could be partial revenue for these programs. Ms. Bernier said Parks and Rec took this on because they are a wonderful service, but they are not Rec programs. She said they must maintain funds in – funds out. Chair Gehl said historically, this was the only way for daycare to happen. Ms. Reed said the

program was meant to be self-sustaining; if not, then the need is not there. She said there was stress over program supervision, but that initially the consumers were the supervisory board. She suggested perhaps having a parent board, as oversight was never meant to be borne by the Commission or the Rec Director. Selectman Jarvis said Town funding and the Commission have fiduciary responsibility because of the set up of the Revolving Fund.

Mike Gelinas, interested citizen, and a friend of Ms. McCarthy's, said he helped her with the budget deficit re formatting of numbers. Ms. McCarthy said she did not know what to give the Commission. She said she was using the report given her by Ms. Blackden, and asked Mr. Gelinas to write up a budget. Mr. Gelinas said people who were good with children may not be good with figures. He said the daycare was in the black annually by an average \$7,800 annually, but in one year, 2008, went off \$11,000 in the red due to overstaffing and incorrect dues for day trips. He said increased staffing caused a problem, and the programs were way in the red before anyone realized it. He said the Commission has a right to be concerned. He said when the Commission increased the rates, people dropped out of the program, so it could be a wash. Ms. Bernier said the Commission wanted guaranteed contracts to determine staffing needs. Mr. Gelinas asked if Welfare funds could offer assistance to low-income people. He said it was not desirable to have children going home alone. TA Whittaker answered if the family met the poverty guidelines, but were still working parents trying to support their families, it could be a philosophical question put to the Board, but that the Town could not be into the business of subsidizing childcare. Mr. Gelinas stated Ms. McCarthy would take anyone and help. Ms. McCarthy explained that many families fall through the cracks and need to be supported. Selectman Jarvis said she wanted to ensure the program continues, but it can be a tough balancing act.

Ms. McCarthy said she knew the summer staffing was high and healthy snacks provided were expensive, but said she was told to go ahead. She said she then heard it was to be "if numbers allowed," but that that information did not reach her. Chair Gehl said the budgeting and financial tracking process will help everyone move on. TA Whittaker said she would like to report to the Commissioners with the draft budget at their May 21, 2009 meeting. Chair Gehl said, regarding assistance, that the Town has rigorous means testing for those who receive assistance. TA Whittaker suggested being proactive with seeking potential grants. Ms. Bernier said partial and full scholarships would be available from the Commissioners' grant if they get it.

Chair Gehl thanked everyone for helping the Board understand the situation. He said everyone was enthusiastic about maintaining the programs. He said a lack of communication and the need for beefed up budgeting resulted in this stretched-thin situation, but the budgeting process will help set rates and provide monthly reviews, so we'll be leaps and bounds beyond where we've been. He said TA Whittaker would have a concrete presentation for the Commission.

Ms. Blackden told Mr. Gelinas that the same format would be used for the programs as other departments' budgets. TA Whittaker suggested forming a parent committee as an agenda discussion item for the Commission, per Ms. Reed's idea. Mr. Gelinas said Ms.

McCarthy's field trips are open to the public, so that aspect of the program is for everyone. Ms. Bailey said they were trying to fill the bus and get more revenue. Chair Gehl said he appreciated everyone's time.

3. Adjournment

Motion by Chair Gehl at 9:15 p.m. to adjourn; second by Selectman Jarvis. The motion carried unanimously.

Respectfully submitted,

Cathy L. Allyn

A video recording of this meeting is on file with the Office of Town Clerk, is available for public viewing during normal business hours, and will be retained in accordance with the New Hampshire Municipal Records Board rules established under RSA 33-A: 4, or for a minimum of 24 months.