

**Town of Chester  
Budget Committee Meeting &  
Public Hearing on the Proposed 2010/11 School Budget  
January 14<sup>th</sup>, 2010  
Town Hall  
Approved Minutes**

**I Preliminaries**

*1.1 Call to Order*

Chairwoman Lamphere called the meeting to order at 7:01pm.

*1.2 Pledge of Allegiance*

Chairwoman Lamphere led the BC in the Pledge of Allegiance.

*1.3 Roll Call*

Members present:

Chairwoman Rhonda Lamphere  
Gary Chesney  
Steve D'Angelo  
Ephraim Dobbins  
John Garvey  
Chris Hadik  
Chuck Heuer

Absent:

Jamie Hassam - BOS Liaison

SB Members present:

Royal Richardson - SB Chairman  
Mike Romick - BC Liaison  
Mat Stover  
Catherine Trainer  
Valerie Weider

School Administration present:

Leslie Leahy - Principal  
Dr. Vic Petzy - Superintendent  
Jana Ruiz - Special Education Coordinator  
Annemarie Scribner - Finance Manager

Members of the Public present:

John Digenova  
Dick Godfrey - Chester Cable TV  
Carrie Hadik  
Richard LeBlanc  
Pat Martin - BOS Administrative Assistant  
Matt Rittenhouse - TTT reporter  
Leroy & Carolyn Scott  
Maria Veale  
Mike Weider  
And other members of the public unknown to the minute taker.

- 1.4 Announcements by the Chairwoman - Chairwoman Lamphere outlined the format for tonight's meeting and Public Hearing on the Proposed 2010/11 School Budget. Chairwoman Lamphere stated that this is the second year that the School has been using the SB2 voting system therefore the process should be a little smoother. Chairwoman Lamphere explained that the Public Hearing will be held tonight by the BC (the same as a traditional voting system) followed by a deliberative session on Wednesday February 3<sup>rd</sup> where the voters can attend and amend the BC recommended budget and other warrant articles up or down. The final figure from this session will be carried forward to the paper ballot which will be voted on by the public on Tuesday March 9<sup>th</sup>.

**II New Business**

**2.1 Public Hearing on the Proposed 2010/11 School Budget**

**7:06pm**

Chairwoman Lamphere made a motion to open the Public Hearing on the Proposed 2010/11 School Budget; Mr. Heuer seconded; a roll call vote was taken; all were in favor; so moved.

**Warrant Article # 4**

Article 4 - School Buildings Maintenance Fund

*To see if the school district will raise and appropriate up to \$25,000 to be placed in the expendable trust fund known as the School Buildings Maintenance Fund (established in March, 2000) and authorize the use of that amount from the June 30, 2010 unreserved fund balance (surplus) available for transfer on July 1 of this year.*

The BC supports this warrant article. The BC agrees with having a contingency fund available for large unanticipated expenditures to help prevent spikes in the annual budgets. This warrant article will only be funded if there is a budget surplus. Chairwoman Lamphere stated that up to \$25K can be added to this fund at the discretion of the SB.

- Richard LeBlanc, Fremont Road, Chester

Mr. LeBlanc stood and was recognized by the BC Chairwoman; he asked the BC why the Town was not responsible for the maintenance of the school buildings because the school surplus is returned to the Town. Chairwoman Lamphere explained that the school surplus is used to reduce the tax rate it is not put into the unreserved fund balance. Mr. LeBlanc stated that he would prefer to see any surplus money go back to the Town to reduce the tax rate rather than into a savings account especially with the current economic climate. SB Chairman Richardson stated that the purpose of the fund was to cover any catastrophic maintenance costs and reduce the impact of these incidents on the school budget. The school is over 10 years old and there are bound to be repairs needed in the next couple of years. This fund will be capped at a level of \$100K.

### **Warrant Article # 5**

#### Article 5 - Educating Disabled Children Fund

*To see if the school district will raise and appropriate up to \$25,000 to be placed in the expendable trust fund known as the Educating Disabled Children Fund (established in March, 2008) and authorize the use of that amount from the June 30, 2010 unreserved fund balance (surplus) available for transfer on July 1 of this year.*

The BC supports this warrant article for the same reason stated in warrant article # 4.

SB Chairman Richardson stated that this is an essential trust fund that covers unforeseen events such as a new child moving into the Town with special education needs. This fund will be capped at a level of approximately \$100K. Mr. Hadik stated that this fund allows for tighter budgeting because the special education coordinator does not have to add in money for contingencies in the regular school budget.

### **Warrant Article # 6**

#### Article 6 - Collective Bargaining Agreement (Teachers' Contract)

*To see if the district will vote to approve the cost items included in the collective bargaining agreement reached between the Chester School Board and the Chester Education Association, which call for the following increases in salaries and benefits:*

<u>School Year</u>	<u>Estimated Increase</u>
2010-2011	\$77,140
2011-2012	\$116,549

*and further to raise and appropriate the sum of Seventy-Seven Thousand, One Hundred and Forty dollars (\$77,140) for the upcoming fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels in accordance with the most recent collective bargaining agreement. This article does not include appropriations*

*voted in other warrant articles.*

The BC supports this warrant article. The BC has completed a review of the proposed 2-year teachers' contract for school years 2010-2011 and 2011-12. Although some of the concerns that the BC raised during the review of the last teachers' contract (2007-2010) have been addressed, some still remain in the proposed contract. This agreement includes reasonable salary increases. The contract also provides for performance based compensation incentives, together with defined performance goals. Pay and benefit increases contained in the last CBA, which is in place now, cost approximately \$1,000,000 when aggregated over the 3 year contract. Increased pay and benefits in the new contract will cost approximately \$240,000 over the next 2 years.

(Mr. D'Angelo joined the meeting at this time.)

SB Chairman Richardson stated that the current contract ends in June 2010. There have been several months of negotiations with the primary goal of the SB being the implementation of a performance based compensation plan. The Chester teachers' were open to this idea and it sets the stage for long term plans to improve the teachers performance and ultimately the schools performance too. The 2009/10 salaries have been frozen and a COLA increase or step applied at 1% in the first year and 1.5% in the second year of the contract. The bonus is based upon six performance objectives being met and reviewed by the SB, teachers' and union. 60% of the performance bonus is based on the teacher's students meeting the grade in standardized testing (*GMADE & GRADE*) with the remaining 40% based on administrative, continuing education and communication skills being met by the teachers. This will lead to a better education for the children of Chester and it will improve the school educational environment.

- Richard LeBlanc, Fremont Road, Chester

Mr. LeBlanc stood and was recognized again by the BC Chairwoman; Mr. LeBlanc asked for clarification that the teachers' would be receiving a salary increase for both years of the contract; Mr. Stover stated that the salaries have been frozen at the current rates and a COLA increase of 1% and 1.5% added to each of the contract year's respectively. Mr. LeBlanc believes that there should be no increases to the teachers' salaries this year due to the current economic climate and reduced revenues coming in to the Town and he stated that the teachers' should be grateful to have an income let alone an increase. Mr. LeBlanc stated that it is unclear where this extra funding is going to come from with people losing their jobs and homes. He is not against educating children with special needs however he does not think the school should be putting money in a savings account over returning it to the Town to reduce the tax rate.

## **Warrant Article # 8**

Article 8 - 2010/2011 Operating Budget

*Shall the Chester School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted*

*separately, the amounts set forth on the budget posted with the warrant, or as amended by vote of the first session, for the purposes set forth therein, totaling \$11,603,480. Should this article be defeated, the default budget shall be \$11,658,731, which is the same as last year, with certain adjustments required by previous action of the Chester School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. Note: Warrant Article 8 (Operating Budget) does not include appropriations proposed under any other warrant articles.*

Chairwoman Lamphere stated that amount read in the warrant article is the amount proposed by the BC; the SB does not agree with this amount; they proposed a 2010/11 operating budget of \$11,697,038.

The BC recommended operating budget of \$11,603,480 is approximately \$94K less than the operating budget proposed by the SB. The BC agrees that given the current economic conditions that it is in the interest of the residents of Chester to contain the annual growth of the school budget. The recommended budget represents a 1.5% increase over the 2009/10 budget, or an additional \$171,480 - not including the costs of the newly ratified CBA. The student population is projected to decline by 31 students at Chester Academy and 14 students at Pinkerton Academy compared to the prior year budgeted enrollments.

SB Chairman Richardson stated that the \$297K increase recommended by the SB over the 2009/10 operating budget is only a 3% increase and that the budget being recommended by the BC is less than the default budget set by the SB. The BC explained their recommendation based on the maximum growth that the residents could sustain in the current economic climate. (The reduction has been pro-rated across the different lines in the operating budget - see the BC worksheet). SB Chairman Richardson stated that the SB is under significant upward pressures and that the special needs budget account for a large % of the \$269K increase and this is a mandated cost that the school has to provide for these students; the other areas of budget increase include health and dental insurance for the teachers, increased transport costs, increased retirement costs and increased tuition costs at Pinkerton Academy. He also stated that the SB has shown a history of returning 1% of the operating budget which means that the proposed budgets are 99% accurate.

- Maria Veale - Chester Street, Chester

Ms. Veale stood and was recognized by the BC Chairwoman; Ms. Veale asked the BC where they see the \$94K in reductions coming from in the budget proposed by the SB. Mr. Hadik asked Ms. Veale where the taxpayers can find an additional \$94K from in their pockets. Ms. Veale stated that Chester's children should not have to pay the price; was the 1.5% increase a consensus by the BC; she also stated that the RSA defining the role of the BC (RSA 32:16) states that the BC should show where the reductions are coming from in the operating budget. Chairwoman Lamphere stated that the BC is not going to define specific areas of the budget, the SB is experienced in the field of education and they will manage the funds accordingly.

### Other Factors to Consider

Mr. Garvey stated that there are other factors to consider when considering this budget:

- Annual revenues that the school receives are projected to decline.
  - The SB proposed budget is \$11,697,038 which is an increase of \$265,038 or 2.3%.
  - The SB's 2.3% budget increase, combined with the projected decrease in revenues, represents an 8.2% increase to the school and state components of the tax rate - an additional \$1.09 on the tax rate.
  - The BC's 1.5% budget increase, combined with the projected decrease in revenues, represents a 7.0% increase to the school and state components of the tax rate - an additional \$0.92c on the tax rate.
  - On a home in Chester valued at \$350K this would add \$324 to the annual property taxes. The SB proposed budget would add \$381 to the annual property taxes. (These figures do not include the teachers' contract tax impact.)
- Maria Veale, Chester Street, Chester

Ms. Veale stood again and was recognized by the BC Chairwoman; Ms. Veale asked if any of the BC have kids in the Chester school system under 4<sup>th</sup> grade. Chairwoman Lamphere stated that it did not make any difference whether we have kids in the school. We are all concerned about the quality of the education of the Chester children. She stated that her children went through Chester Academy and Pinkerton Academy, as did other member's children and that it is irrelevant if the BC have children in the system at this time. We are all Chester residents and have to pay taxes to support the school.

Mr. Stover stated that the SB does not believe that there is \$94K to be cut from their proposed budget and that the difference per month between the BC and SB budgets for taxpayers is \$4 / month.

- Richard LeBlanc, Fremont Road, Chester

Mr. LeBlanc stood and was recognized by the BC Chairwoman; he stated that the taxpayers cannot afford an increase in this budget or the Town budget and that the BC should have flat lined the 2009/10 budget for the upcoming year. He believes the teachers' COLA increase is unnecessary and that the BC should be keeping the budgets in line and not recommending even the 1.5% growth in the current economy.

Chairwoman Lamphere stated that the mandated special education cost increases between the 2009/10 and 2010/11 school budget is \$182K which is pretty much the 1.5% increase that the BC is recommending in this budget which means that the BC has flat lined this budget. Mr. LeBlanc acknowledged the BC's efforts and expressed his concerns about the two savings funds. Mr. Hadik recommended that interested members of the public should come to the deliberative session and vote to amend the budget accordingly. SB Chairman

Richardson stated that the school is obligated to meet the needs of the special education children and that the special education coordinator is very aggressive with her budget planning. Chairwoman Lamphere stated that the SB used the same methodology from last year to prepare the default budget for 2010/11.

**7:47pm**

Chairwoman Lamphere made a motion to close the Public Hearing on the Proposed 2010/11 School Budget; Mr. Heuer seconded; a roll call vote was taken; all were in favor; so moved.

Chairwoman Lamphere made a motion to propose a school operating budget of \$11,603,480 for 2010/11. Mr. Chesney seconded; a roll call vote was taken; all were in favor; so moved.

**7:50pm**

**The BC took a break at this time and reconvened in Room 20 at 8:00pm.**

BC Meeting continued:

2.2 Public Comment - none

**III Old Business:**

3.1 Minutes: The BC reviewed the draft minutes from the following dates: 12.28.2009 & 01.04.2010

Mr. Heuer made a motion to accept the BC Meeting Minutes from 12.28.2009 as amended. Mr. Hadik seconded; all were in favor; so moved.

Mr. Hadik made a motion to accept the BC Meeting Minutes from 01.04.2010 as amended. Mr. Chesney seconded; all were in favor; so moved

3.2 Discussion of the Public Hearing

Chairwoman Lamphere asked the BC if they had any comments / input from the Public Hearing on the school operating budget; she felt that they has covered all aspects and responded appropriately. Mr. Heuer stated that there is always an emotional plea by a parent at the Public Hearings however the \$94K reduction should not be difficult for the SB to manage without and it should mean that the financial impact is less on the taxpayers. Mr. Romick felt the PH had gone well however he found the numbers a little confusing but they are backed up by the handout from the BC. Chairwoman Lamphere is concerned that the voters are confused with the function of the deliberative session in the SB2 voting process therefore she would like to get the message out for voters to attend the deliberative session. Mr. Romick stated that it counts for voters to attend the meetings and voice their opinions. Chairwoman Lamphere confirmed that the PH does not have to be held open for 1 hour as previously thought; this only applies to a bond vote.

3.3 Handout / mailer for the voters

Mr. Hadik would like to utilize the Chester cable TV, the sign by Stevens Hall and post some flyers in the Post Office, Spollets, Your Variety, the Senior Center and the Town Hall to get the message out about voters attending the deliberative session and expressing their opinions and utilizing their vote. A mailer to all the homeowners has a large cost with a low return based on previous experiences. The BC will also post their handout from tonight's PH on the Town website. The BC will review a draft of the flyer at their next meeting; Chairwoman Lamphere will work on the draft document. The BC would like to include a tax impact page along with all the same pages as last year's flyer. Mr. Romick reminded the BC that the decrease in revenues is due in part to the school returning \$178K in surplus last year.

3.4 Town Budget Books

The BC reviewed the process for compiling the Town budget books and distributing them this year. Mr. Heuer would like to have the electronic copies of the individual pages of the workbook submitted from each department to utilize in his spreadsheet projecting the budget over the next few years. The BC discussed the bookkeeping software utilized by the Town and how it does not allow the Finance Director to electronically send out excel spreadsheets to the BC.

3.5 Public Comment - none.

**The next meeting of the BC will be on Monday 25<sup>th</sup> January at 7pm**

**IV Adjournment**

Mr. Heuer moved to adjourn the meeting at 8:58pm. Mr. Chesney seconded. The vote was unanimous in the affirmative; so moved.

Respectfully Submitted,  
Sarah E Scanlan