

**Town of Chester
Budget Committee
Approved Minutes
January 22, 2018**

I. Meeting to Order

Chair Michael Weider called the meeting to order at 7:06 PM on Monday, January 22, 2018.

II. Pledge of Allegiance

Chair Michael Weider led the meeting in the Pledge of Allegiance.

III. Attendance

Chair Michael Weider
Vice Chair Lamphere
Brian Shankey
Becky Owens
Brennan Holmes
Chuck Heuer

Liaisons:
Mike Romick
Selectman Stephen D'Angelo

Absent:

IV. Announcements by the Chair -

V. Public Comment –

Christina Gelinas has lived in Chester for 5 years, and has a background in finance. She's looking to get more involved in the town, and wants to be able to get onto the budget committee.

VI. BOS Update – Selectman Stephen D'Angelo

VIII. Committee Updates –

IX. Minutes –

The minutes will be reviewed at the next upcoming Budget Committee meeting.

XI. New Business -

a. School Board - Budget Review

School board and teachers approved the CEA contract. Now it is coming to the BC for approval.

The school board has presented a new budget, at the end of page 5:

Previous subtotal of \$174,242 has been decreased to \$131,176 also can be read as from 1.46% to 1.1.5%

Budget variance going from \$128,004 to \$99,138 also can be read as from 1.02 to 0.78%

Mr. Heuer is trying to get to the actual bottom line, considering everything; not counting the offset.

Mr. Shankey – With the budget approved last year, the most recent expenditure summary page – '17-'18 \$12,607,302 approved for budget for this current year they're in. Looked at what the school has provided for information for return which it looks like they're planning on returning \$100,586. The difference is what they're projected to spend by the end of the year. \$12,698,250 added the teacher \$128,840 contract. Increase of \$364,000 which is a 3.62% increase.

Mr. Romick – some of the savings are generated from savings on the revenue side. But the variant budget to budget is there. The 180 return, isn't all savings from budget, some is from the revenue side.

Mr. Heuer - Page 86 – looks like the increase is \$571,096

\$501,176 returned last year which gets into this number. After including everything, even revenue losses from the government, trying to factor everything out to determine the real increase. Trying to discount what happened with the large return last year, but it does have to be considered.

The new summary, states \$90,000 as opposed to the \$141,000.

Page 94 or 86 readjust the number from \$12,735,361 to \$12,698,250

\$217,874 statutorily they are allowed to retain that, in the fund balance retention

Selectman D'Angelo is concerned with the returns from previous years:

\$501,176	17/18
\$260,422	16/17
\$165,654	15/16
\$22,727	14/15

The estimated return for this year is \$217,000 which includes the \$180,000, they are not two different numbers.

Mike Romick – page 87 \$175,000 is the only thing that's being put in.

Mike Weider - \$217,000 is put in as refund back to the town this year. On page 86, the numbers are: \$12,735,316 and the new is \$12, 698,769

The variance difference: \$8,118,939 \$534,030 difference to \$7,584,909

Mike Romick – last 7 years, the school has caused 0% increase to the town payers' taxes. When you look at the actual tax impact of the school budget, it's been a very small variance.

Actual budget to budget increase is \$90,938.

Mr. Heuer – comparing to other districts, they mostly have principal, assistant principal and a curriculum coordinator. The assistant principal is still reporting to the principal, they have such a mixed bag of responsibilities; they have to deal with what comes up, what percentage of time will they have for curriculum development? The person and position sounds overloaded.

Mr. Romick – currently have an assistant principal that is very well versed in the curriculum development because of her skill set. We have to stop band-aiding this, here's the best solution we've come up with. I trust what Darrell brings forth. Last time we came to the board to ask for a head position, was the Director of Technology and things have gotten so much better since that position was created. We want to solve the problem as fiscally responsibly as we can, the net of what this position will cost us is lower than the position itself because of the offsets that are coming out of it.

Selectman D'Angelo – If you're saying math scores aren't high enough in the 4th grade, why on this listings does it not state math teachers in the primary grades? There should be dedicated math teachers in second and third grade.

Royal Richardson – The breakout of teachers, in middle school they're defined by the subject they teach, prior to that they are teachers and teach everything. Through modifying the curriculum the kids should be improving.

Mr. Heuer -Page 3 – How many teachers are assigned a class – starting in 4th grade there's a difference. Is there any plan to raise the number of students allowed as maximum per class?

In order to go above these numbers for each class maximum, it would be a change in policy.

Chair Weider - State recommended class sizes: 1st -17, we're at 18, 2nd -18, we're at 18, 3rd -19, we're at 18, 4th -19, 5th – 20, we're at 25, 6th-20, we're at 25, 7th-21 we're at 25. This is what the state recommends and the committee reviews it each year.

Chair Weider – As a board, do we have a number we to suggest to the school board? Your decision as a committee, either we accept theirs as amended with the new amounts, or to be fair to them tomorrow night, to pass a number on for them to come to so it's not the same conversation.

Mike Romick – after next year, the debt service will be gone. It doesn't do anything for the \$128,000 we see at this time, but the around \$200,000 cost will be gone the year after.

Chair Weider- to say we'll offset something because of debt service, should provide a relief to the taxpayers through the holiday. He looks at the contract as a separate issue from the budget. They've taken \$36,000 out already, and would be looking for \$41,000 more.

Since the fund balance retention can be used only if the budget money has all been spent, and it has to be approved by the BC, Mr. Holmes would like to make sure there is money set in case there is a problem with the cistern.

Mr. Heuer called a straw poll to see what the BC would think of a \$50,000 increase rather than a \$90,000 increase:

Mr. Heuer is ok,

Chair Weider is ok,

Selectman D'Angelo – no, not comfortable with the new position and why the budget was built looking at the existing budget, vs what the actual was in 16/17 then adding the necessary costs, \$11,219,065 close of June 17 now it's proposed \$12,698,250 then add in the contractual obligations, back those numbers in and it still doesn't add up to what the number should be. This is an \$800,000 difference. There's already a \$175,000 amount that is being planned on being returned this year, using that budget to build the next one doesn't make sense.

Mr. Shankey – looks at it with the teachers' contract as well but as the budget itself, will an additional \$40,000 reduction dramatically hurt the school? SB does not think so. So Mr. Shankey is tentatively yes,

Vice Chair Lamphere is going to abstain because something else has come up and thinks that there may be more available,

Mrs. Owens would be yes,

Mr. Holmes would be yes,

Mr. Romick would be a yes.

Chair Weider is looking at \$3,000 off from after school bus, \$10,000 off new position line, \$5,000 off professional development course reimbursement, reducing after school programs by \$5,400, removing \$2,500 for treasurer, removal of the snow blower which was \$1,300, take \$2,500 from heating.

Looks like 94 cents as an impact before the teacher contract.

Selectman D'Angelo is not ok with this new position, and does not like the fact that the budget was not created by taking the actual number from the end of the year and adding the contractual needs. \$11,219,065 was the amount at the close of June 2017. Actual spend doesn't include the

surplus at the end of June. Budget proposed is \$12,698,250 over \$800,000 difference. Add in the contractual obligations and it still doesn't add up to what the number should be.

Royal – The entire dollar amounts that made up the \$500,000 that was returned at the end of last year. All of those amounts were adjusted going into this budget.

18/19 budget was built off of the 17/18 – based the budget on what's happening now, forecasting about 18 months out. They are diligently budgeting; the savings have come from unexpected areas.

Mike Romick will be bringing back to the school board that the BC would like them to reduce their budget by another \$41,000. If that is done, then the BC will support this budget moving forward.

First year tax impact of \$128,000 from contract is under \$1.00.
By tomorrow, the tax impact will be available for the meeting.

8:27pm Selectman D'Angelo left the meeting until the tax impact is available.

Mr. Richardson – a few contracts ago, there was a standard teacher salary schedule. Each year it progressed, you got a raise for another year, with a COLA and a step. Now it's a hiring schedule rather than a salary schedule. Based on what experience you have, you got plugged in with a COLA. Looked at each year and level of experience how we get them to that particular wage level, so the increases are different for everyone, but it has the exact people for four years, couldn't be done in 3 years. It's to help spread out the money over 4 years than 3 years which would have been too expensive.

Also, this had to go through mediation to reach this agreement.

Mr. Heuer – bottom of the schedule, says open and open instead of a name.

Mr. Richardson - Possibly two positions that weren't able to be filled, but are being covered by contracted services. If someone is hired for those positions, they'd be hired with the new hiring schedule and added to the salary schedule.

Mr. Heuer would like to request the current salaries for this year to be able to see the increase. Royal will take that to Dr. Lockwood to get the information.

Compensation analysis – Auburn's salaries next year, is where we'll be in four years.

Mr. Richardson – Quick summary of CEA. Bereavement leave for 5 days has now included a provision to allow them to use their own personal days. Dental has increased from \$1,000 to \$1,500. Life insurance is now subject to their yearly salary rather than just \$50,000. Back and forth on work rules, high deductible health plan, no modifications were made there. Course reimbursement settled on \$25,000 rather than \$30,000. Since both sides agreed that getting more education is important, the Bachelor's + dead ended. End of career recognition, when they leave

the district, and they're eligible for retirement, they can use up to 90 personal days up to \$50 per day. Agreed to increase those amounts year over year and put a provision they can take up to those 90 days, at the cost of teacher salary that year, and they can get it as a lump sum which is like a wage, or put it to their health insurance through the school as a savings.

Provision advertised as a pay for play district, performance incentive to get foot in the door. Had to do things they had planned out to get that money. They were stuck at 1%. First contract, the goals were challenging for everyone. 2nd contract changed the goals to make them easier to understand for No Child Left Behind. Now with IReady, test in the fall and the spring to test and track individual kids, there's more control. In this contract, included money at risk, dollars they said they wanted to be competitive, total amount that they want, part of it is at risk. Still at 1% now, 1.5% next year, 2% following, 2.5% after that. We think you'll meet these objectives and you'll get more money. Part of the money they wanted to have competitive wages is at risk.

All of the budgeting for the contract was based upon actual salaries. From there, the coming years are conjecture based upon staff changes. \$700,000 overall though it sounds like a lot, approximately \$175,000 each year, but it may end up being less than that as in years past.

Mr. Heuer – Appendix I, is that for new hires or teachers in general? Bottom of page 7, must give one year notice for advancement on the salary schedule.

SB – The hiring schedule is for everyone. But the superintendent has the right to put someone into the scale as where he sees fit based upon experience. If they are moving across, they must let them know by February 1st to be able to be in the upcoming budget. We call it the hiring schedule because we want to get away from the step COLA. Some of the people that have been here over 15 years, could be making a different amount than is listed for the new hires because their experience does not match.

Mr. Shankey – It's important to look at the contract and the budget together because there can't be any changes made to the contract.

Mike Romick – It's possible to go in without an agreement on the budget or the contract, and bringing it to the legislative body letting them make the decision.

Vice Chair Lamphere – Why is it a 4 year contract instead of 3 years?

Mr. Richardson – The 4 year contract is because we did not feel we could bring the cost over 3 years to the legislative body. Also, the health care program has been locked in, which made for a big savings and School Care has been great to help everyone get the most dollars out of their plans.

XIII. Member Comments – Mr. Romick made a motion to move into a non-public session according to RSA 91 II-a. If a member of the public body believes that any discussion in a meeting of the body, including in a nonpublic session, violates this chapter, the member may object to the discussion. If the public body continues the discussion despite the

objection, the objecting member may request that his or her objection be recorded in the minutes and may then continue to participate in the discussion without being subject to the penalties of RSA 91-A:8, IV or V. Upon such a request, the public body shall record the member's objection in its minutes of the meeting. If the objection is to a discussion in nonpublic session, the objection shall also be recorded in the public minutes, but the notation in the public minutes shall include only the member's name, a statement that he or she objected to the discussion in nonpublic session, and a reference to the provision of RSA 91-A:3, II, that was the basis for the discussion. Mr. Heuer seconded the motion, all in favor.

XIV. Public Comments –

XV. Next Meeting Date – January 29, 2018

XVI. Adjourn -

Chair Weider made a motion to adjourn. Vice Chair Lamphere seconded the motion. All in favor, the Budget Committee meeting of January 22, 2018 adjourned at 9:52pm.

Respectfully Submitted,

Sarah DeLisle, Recording Secretary