

**Town of Chester
Budget Committee
Approved Minutes
February 5, 2018**

I. Meeting to Order

Chair Michael Weider called the meeting to order at 7:03 PM on Monday, February 5, 2018.

II. Pledge of Allegiance

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

III. Attendance

Budget Committee Members:

Chair Michael Weider

Vice Chair Lamphere

Brian Shankey

Brennan Holmes

Chuck Heuer

Becky Owens

Liasions:

Selectman Stephen D'Angelo

Mike Romick School Board

Absent:

IV. Announcements by the Chair –

a. Public Hearing – Chester School District's – Proposed Warrant

The school board was invited to sit at the table during public hearing to allow for discussion of the proposed budget and contract.

Mr. Heuer made a motion to accept Warrant Article as written. Mr. Shankey seconded the motion. 6 in favor, 1 opposed, 1 abstention

School Board Chair Mr. Richardson – Warrant Article 3 shared the most recent version of the budget explaining to the public the major increases, decreases and the reasoning behind each. 0.87 per \$1,000 for a \$350,000 home

Vice Chair Lamphere – Would the Director of Student Affairs be year round or school year?

Superintendent Dr. Darrell Lockwood – clarified the tax impact for school budget as compared to previous years. This proposed education cost without the contract included is \$16.96. Unreserved fund balance will be over \$200,000 is a conservative estimate, the townspeople should know that over the last 8 years at least, the school board has been very good stewards of taxpayer's money.

Vice Chair Lamphere – when talking about the change in the tax impact, don't you have to take in the valuation of the town?

Dr. Lockwood – Will mention in the next discussion because it's relevant.

Article 4 – Collective Bargaining Agreement between Chester School Board and Chester Education Association

Mr. Shankey – comes from two educator parents and married to a special education teacher for the state of NH. Believes in attracting the best for our students, but also needs to consider the taxpayers ability to handle this bandwidth, this is a 20% increase over 4 years, which is high and a four year contract, without knowing the state of the economy. 4 years is a long time, with the status of debt service, we need to look at it in a vacuum, based on his considerations, possible impact that may come forward later, what he's heard, plans on voting no for this contract.

Mr. Richardson – Status of debt service was not a factor in determining the dollar amounts in the contract, doesn't want people coming away with the thought of a "free pass" in the second year. The tax impact can go up and down for a number of reasons and doesn't agree with the position that 1010 is the number. It is misleading for people, we know what the numbers are, but we don't know the tax impact, and it's misleading that people may think they'll see a \$1000 increase in their taxes right away, or over time, if that is not necessarily the case.

Warrant Article 4 – Started negotiating in June, Mr. Richardson, Dr. Lockwood, Mrs. Weider, and Mrs. Rich were all a part of the negotiating team. It was previously a step driven and cola driven wage scale. Over 2 contracts, they've adjusted contracts accordingly. Those in the mid-year number of ranges, is they start at a good rate of salary and then they're only receiving the 2% cola each year. Shared all the details and explanations of the details of the contract that was agreed upon by the CEA and the Chester school board.

The CEA and the school board have worked well together, NEA and CEA have shared that the salaries need to be increased. The school board was conservative at first, yes it's a lot but it is important.

Vice Chair Lamphere – When the spreadsheet was put together, a point in time had to be chosen. Same thing with the \$1010 picked at a certain time.

Mr. Heuer – 1.5 million by the time it gets to the BC, it's a done deal. It's our job to look inside to share the facts accurately with the public. It's our mission to make a recommendation on prudent spending. "This is an approximation, it can be more, it can be less and here's why."

Mr. Richardson – This is different than other contracts because it's not a bump in the beginning that evens out. It's an increase each year.

Chair Weider – Whether there is changing up or down, we're still looking at over 1 million dollar increase. Almost 10% of the budget will be added as a cost onto the budget in the future. The school board has done a great job looking at other towns and working to close that delta. There are increases from 6% to 39% across the board; that is a large increase over the four years. I understand what we're trying to do, but that's a big increase overall when there is a million dollar increase.

Mr. Romick – Sometimes looking at huge increase percentages may be different than when looking at the dollar amount, it may not actually be that much.

Vice Chair Lamphere – Here are a few examples:

Someone making \$45, 858 currently, in 4 years will be making \$63, 640

\$52,382 going to be making \$62,270

\$59,342 in 4 years \$62,983

These retirement benefits, that are being called end of career recognition, to help those retiring prior to Medicare to help pay for the health insurance. In the private sector, who covers that?

Mr. Richardson – We improved the benefit that was already there. If it's taken as a lump sum, then it is taxed and could bump up their retirement. But if applied to the health insurance, there is no impact to the retirement.

Deanna Haggart - 672 Candia Road – Compared to other school districts, same job, and large disparity in pay. That large increase of \$45,000 to \$63,000, that person has probably been there for 10-12 years. They're looking to close that gap as the lack of pay has been going on for years. It brings to a more comparable pay with surrounding towns. They compromised to the four years. BC is in charge of controlling spending, it should not fall on the backs of the teachers. Dedicated, devote a lot of our time to the students, to the community, we should be compensated for it. The increases are because those haven't been compensated as they should have been. 6% over 4 years is not a fair amount; it's what we agreed upon to make this contract work. We really researched and did our homework, and worked cordially with the school board. We'd like to have support from the BC on this contract and send a message that you do care and support the teachers at Chester Academy.

Vice Chair Lamphere – It is not the role of the BC to control spending, it's to educate the voters so they can vote factually and understand what is before them when they go to vote. We have not authority whatsoever when it comes to controlling spending.

Lynne Marie Fawcett 18 Knolls Mill Road– NH retirement 1% incentive pay does not go into NH retirement and any other retirement bonuses such as the days left in the absentee bank is considered a bonus and does not go into the retirement.

Vice Chair Lamphere – There may be some that fall into that, but not everyone; it depends on when you were vested.

John Lamphere 527 Freemont Road – school board first presented it as a \$700,000 and change contract, why was it not presented accurately as a \$1,600,000 increase over the four years?

Mr. Romick – It's a standard routine of presentation, not an intent to pull the wool over or fool anyone. It's the way the state wants to present the information. Everyone on the BC knows that's how it's presented, the simply numbers needed to be added each year. The entire math wasn't added up as we assumed people could add it up themselves.

Vice Chair Lamphere – When people that are not members of the BC look at the warrant and look at the four numbers, they just add the four numbers up, instead of sanbornizing it, that's why the BC and school board need to present the information to the public.

John Lamphere – 2% increase on Social Security, military payment, that doesn't add up to what is being asked to be paid out. Many people are on a fixed income in Chester and it's a lot to ask for from them.

Dr. Lockwood – When we presented the contract to you, it included a chart: at the beginning of negotiations, a point of time, in June. In July, teachers asked for a spreadsheet based upon current salaries of teachers. What happens to that is that year one costs \$164,000 but when you count it into the actual warrant, it's \$128,000. Cost for teachers' salaries in the budget is down \$37,000 because of the staff in place. Not what is being said, but the way you say it. If everything remained the same, "if nothing changed, no teachers changed, no assessments changed, no developments came online, this is what you will pay" but everything changes! This green sheet is not representative of reality. There would need to be a lot of different verbiage to be able to talk about tax impact. Green sheet is very misrepresentative. To say you're going to pay \$1010 in four years, too many variables. It's inappropriate to say this is what the tax impact would be.

Chair Weider – Revenue we did not know about is what helped keep the tax impact low before. CPI is going up, 5.1% consumer growth is very low right now, and it's not jumping. There is a rational that needs to be looked at when we present it.

Vice Chair Lamphere – The chart Dr. Lockwood was referring to, with the amount taxes have gone up or down, there would have to be a line put in here to look at the valuation of the town to see the stand alone. We had to take a point in time, if we wrote up a document to hand out to the voters, maybe it will go up if this happens, and this happens, and that happens. Maybe it will go down if this happens and that happens and that happens. It's not sharing good information.

Mrs. Haggart – When you're looking at the facts, opinions shouldn't be included. It seems that you're trying to sway opinion rather than just informing. Substantial tax burden, excessive, these are opinion words rather than fact words. It's inappropriate.

Mr. Shankey – Here's a court case that states that the BC can balance the taxpayers' needs against the school district's additional needs. There is an opinion piece included in terms of what we're looking at.

Mr. Romick – It's more than just educating, it's their opinion too

Chair Weider – What I'm being shown is information about a workshop the BC goes to each year highlighted that the governing body or BC is not required to vote at the public hearing. However, we agreed as a committee, we agreed at a previous meeting, that we would vote publicly. 1:38 – workshop – government body or BC is not required to vote 1:38

Article 4 – Recommendation to support: 2 in favor 6 opposed no abstentions

Article 5 – No appropriation to it, so no vote is needed

Provisional warrant article – up to \$25,000 out of surplus funds at the end of the year currently approximately \$110,000 placeholder in case we have special ed students come to the school that we need to withdraw from the account

Mr. Heuer moved to accept Warrant article 6, Mr. Shankey seconded the motion. All in favor.

Chair Weider made a motion to close the public hearing. Mr. Heuer seconded the motion. – All in favor.

Green Sheet – 4 year cost of contract “could” result in a potential tax burden
Could pay an additional
Could result in a potential tax burden of

Vote on line 43 of the official report: 5 keep it, 3 opposed – now stricken from the report

Lots of changes on the report to remove language that made it seem too opinionated. Vice Chair Lamphere will update and send out the new sheet.

Chair Weider made a motion to accept the official report with amendments. Mr. Heuer seconded the motion 7 in favor, 1 opposed, no abstentions.

V. Public Comment –

VI. BOS Update – Selectman Stephen D'Angelo

VIII. Committee Updates –

IX. Minutes –New Business -

XIII. Member Comments –

Got in touch with attorney, the school board and the selectman have a right to a liaison or an alternate to be a voting member on the BC.

Vice Chair Lamphere made a motion to accept the handout as written. Selectman D'Angelo seconded the motion.

Chair Weider does not see the point on a ballot votes for both.

Mr. Heuer thinks it is appropriate to vote in private because of the nature of the documents and this is a unique situation that warrants private vote.

Vice Chair Lamphere would like both to be ballot as with previous elections for PD or FD so the legislative body can be free to vote their mind any way they want to vote. Especially where this includes a new position that is costing the town \$95,000 not including the offsets.

Mr. Romick – any town member can request a paper ballot right?

5 registered voters would have to sign off on it to be able to have it be a paper ballot. If people want to make it a private paper ballot, then they can do that.

Chair Weider – both the school board and the BC agreed to the overall budget including the new position. It would save time to not have the paper ballot, if it's a yes or a no before anything goes on

Paper ballot for the budget 3 in favor, 4 opposed 1 abstention.

Paper ballot for the contract 6 in favor, 2 opposed no abstentions.

Mr. Romick thinks that stating \$1.5 million for the tax impact is for a wow factor and not necessary.

Mr. Heuer - This is full disclosure, it needs to be shared so the town doesn't see it as \$700,000.

Mr. Romick – Not opposed to sharing the cost, but stating it as the tax rate part.

Chair Weider – The \$260,000 that is returning from being paid off should not be built as a savings automatically into the budget. What I would like to see is that the tax payers see the holiday back.

Vice Chair Lamphere – this was presented to the BC by the school board. With the data we have today, we can't take into consideration the savings there might be in future years, we had to

evaluate it based on the information presented today. This dollar amount is not taking any of the possibilities such as retirement, or changing of health care plans into consideration.

Mr. Romick – There has been \$0 tax impact for the last 5 years on the part of the school board.

Mr. Heuer – Chances are, revenues will be down in the next few years so this may be a conservative number. This affects the bottom line on appropriation which then affects the tax rate.

Chair Weider would like to open public hearing, please state name and address, and address all questions to him, not to any of the members directly.

Chair Weider made a motion to open public hearing on the '18-'19 Chester School Board budget and (MIKE – WHAT IS THE EXACT WORDING ON THIS?) to discuss the school board warrants. Seconded by Mr. Shankey. All in favor. From here, the minutes continue in New Business.

Vice Chair Lamphere – would the committee ever consider changing from Monday nights to Tuesday nights? No Tri-Town coverage and Mike Romick doesn't want to give up his position as liaison, but struggles to make Monday meetings.

BC members – Brennan was a write in for a three year position, if Christina is appointed, then she can stay until May. One year position that expires in '19. A brief discussion ensued as to the terms that are ending this year, and what is still available.

XIV. Public Comments –

XV. Next Meeting Date – February 12, 2018

XVI. Adjourn -

Chair Weider made a motion to adjourn. Mr. Holmes seconded the motion. All in favor, the Budget Committee meeting of February 5, 2018 adjourned at 9:55pm.

Respectfully Submitted,

Sarah DeLisle, Recording Secretary