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**MINUTES OF THE  
BUDGET COMMITTEE**

**MEETING OF  
January 14, 2009**

7 **01) OPEN MEETING**

8 The Municipal Budget Committee Meeting of Thursday, January 14, 2009 was called to  
9 order at 7:00 p.m. at Salem Town Hall, 33 Geremonty Drive, Salem, New Hampshire.

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11 **02) PLEDGE OF ALLEGIANCE**

12 Chairman Susan Covey opened the meeting at 7:00 p.m. with the Pledge of Allegiance.

13  
14 **03) INTRODUCTION OF MEMBERS**

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16 **MEMBERS PRESENT:**

17 Michael Carney, Jr, Vice-Chairman  
18 Pater Rayno, Secretary arrived at 07:23 PM  
19 Jim Randazzo, Secretary  
20 Ann Marie David  
21 Susan Covey, Chairman  
22 Roland Theberge  
23 Stephen Campbell  
24 Atty. Bernard Campbell, School Board Representative  
25 Arthur Barnes, Board of Selectmen Representative

26  
27 **OTHERS PRESENT:**

28 Michael Delehanty  
29 Cynthia Palermo

30  
31  
32 **04) PRELIMINARY VOTES ON SALEM SCHOOL BOARD BOND ARTICLES AND**  
33 **COLLECTIVE BARGAINING AGREEMENT ARTICLES**

34  
35 **MOTION by Mr. B. Campbell**

36 **Article 3:** Shall the school district vote to approve the cost items and to raise and appropriate the  
37 sum of \$411,642 to fund those cost items related to the step increase in teachers', nurses', and  
38 student services specialists' salaries for the fiscal year 2009-10, in accordance with the 2008-09  
39 agreement between the Salem School Board and the Salem Education Association (SEA); and  
40 further raise and appropriate the sum of \$831,615 to fund those cost items related to an increase  
41 in teachers', nurses', and student services specialists' salaries and benefits for the fiscal year  
42 2009-10, the second year of a three (3) year collective bargaining agreement between the Salem  
43 School Board and the Salem Education Association (SEA), representing the additional costs  
44 attributable to the increase in teachers', nurses', and student services specialists' salaries and  
45 benefits over those paid in the 2008-09 fiscal year, or to take any other action relative thereto

46 **SECOND: by Selectman Barnes**

1 *Discussion:*

2 Mr. S. Campbell asked how the current 1.2 million was calculated and asked if it was based on  
3 the current staff. Mr. B. Campbell replied that this accounted for the reduction in staff. Mr. S.  
4 Campbell asked what would happen if there were excess money and questioned how it could be  
5 used. Mr. B. Campbell stated that he would need to verify if it could be used for something other  
6 than the specified warrant article; and stated that the intention would be to return it to the  
7 unreserved fund balance. Mr. S. Campbell commented that perhaps the article could be amended  
8 if all of the money was not needed and stated that he would not be supporting the raises although  
9 they may be warranted, due to the economy.

10  
11 Mr. Theberge asked what the percentage increases were in the first and third years. Mr. B.  
12 Campbell replied that it was 3% each year.

13  
14 **VOTE: 5-3-0**, in the minority Mr. S. Campbell, Mr. Theberge and Ms. David  
15 **The motion carried**

16  
17  
18 **MOTION by Mr. B. Campbell**

19 **Article 4:** Shall the school district vote to approve the cost items and to raise and appropriate the  
20 sum of \$37,353 to fund those cost items related to an increase in secretaries' salaries and benefits  
21 for the fiscal year 2009-10, the second year of a two (2) year collective bargaining agreement  
22 between the Salem School Board and the Salem Educational Personnel Association (SEPA);  
23 such sum of money representing the additional costs attributable to the increase in secretaries'  
24 salaries and benefits over those paid in the 2008-09 fiscal year, or to take any other action  
25 relative thereto.

26 **SECOND: by Selectman Barnes**

27  
28 *Discussion:*

29 Mr. B. Campbell commented that this group did not receive a wage increase last year, and added  
30 that the health insurance cap increased.

31  
32 Mr. S. Campbell commented that the health cap was six times as high as it was for the teachers.  
33 Mr. B. Campbell stated that these employees received no wage increase last year, and added that  
34 their health contribution was 22\$m while the district paid 78%. He noted that they were trying to  
35 being this closer to the 80/20 split. Mr. S. Campbell stated that this had been voted down by the  
36 voters previously; and stated that he was not in favor of making retroactive changes. Mr. B.  
37 Campbell stated that these were not retroactive changes as the wage increase was zero, and  
38 added that the staff had more out of pocket expenses due to the increase in the health insurance  
39 caps.

40  
41 Mr. Carney asked how many members took the insurance. Mr. B. Campbell replied that fifteen  
42 out of twenty-two people took this.

43  
44 Ms. David asked for an explanation of how the insurance plans worked. Mr. B. Campbell  
45 referenced section 9, page 27 and provided an explanation. Ms. David asked what the percentage  
46 would be for a new plan. Ms. Palermo responded that there was a guaranteed maximum to be  
47 paid up to 10%.

1 **VOTE: 7-1-0**, in the minority Mr. S. Campbell,

2 **The motion carried**

3  
4  
5 **MOTION by Mr. B. Campbell**

6 **Article: 5** Shall the school district vote to approve the cost items and to raise and appropriate the  
7 sum of \$87,910 to fund those cost items related to an increase in aides' salaries and benefits for  
8 the fiscal year 2009-10, the last year of a three (3) year collective bargaining agreement between  
9 the Salem School Board and the Salem Educational Support Personnel Association (SESPA);  
10 such sum of money representing the additional costs attributable to the increase in aides' salaries  
11 and benefits over those paid in the 2008-09 fiscal year, or to take any other action relative  
12 thereto.

13 **SECOND: by Selectman Barnes**

14  
15 *Discussion:*

16 Mr. B. Campbell commented that nine people are currently enrolled in the plan with a 70/30  
17 split.

18  
19 **VOTE: 6-1-2**, in the minority Mr. S. Campbell, abstaining Mr. Carney and Mr. Randazzo

20 **The motion carried**

21  
22  
23 **MOTION by Mr. B. Campbell**

24 **Article: 6** .Shall the school district vote to approve the cost items and to raise and appropriate the  
25 sum of \$45,319 to fund those cost items related to an increase in custodians' salaries and benefits  
26 for the fiscal year 2009-10, the second year of a two (2) year collective bargaining agreement  
27 between the Salem School Board and the Salem School Custodian Employees Association  
28 (SSCEA); such sum of money representing the additional costs attributable to the increase in  
29 custodians' salaries and benefits over those paid in the 2008-09 fiscal year, or to take any other  
30 action relative thereto.

31 **SECOND: by Selectman Barnes**

32  
33 *Discussion:*

34 Mr. B. Campbell commented that thirty people were enrolled in the insurance program at 14/86  
35 split.

36  
37 Mr. S. Campbell commented again that the increase is greater than the teachers increase and  
38 suggested that this was retroactive due to its failure with the voters last year. Mr. B. Campbell  
39 re-iterated the fact that this was not retroactive, adding that the employees paid more out of their  
40 pocket for health insurance.

41  
42 Mr. Carney urged the public to support this, as these were dedicated, hard working employees  
43 that perform duties that go well beyond the job description.

44  
45 **VOTE: 7-2-0**, in the minority Mr. S. Campbell and Mr. Theberge

46 **The motion carried**

47  
48  
49 **MOTION by Mr. B. Campbell**

1 **Article 7:** To see if the Salem School District will vote to approve the cost items included in the  
 2 collective bargaining agreement reached between the Salem School Board and the Salem  
 3 Association of Food Service Personnel, which calls for the following increases in salaries and  
 4 benefits at the current staffing levels:

<u>Year</u>	<u>Estimated Increase</u>	<u>% Increase</u>
2009-10	\$21,954	2.75
2010-11	\$17,996	2.75
2011-12	\$14,986	2.75

10  
 11 And further to raise and appropriate the sum of \$21,954 for the upcoming fiscal year, such sum  
 12 representing the additional costs attributable to the increase in salaries and benefits over those of  
 13 the appropriation at current staffing levels paid in the prior fiscal year the Municipal Budget

14 **SECOND: by Selectman Barnes**

15  
 16 *Discussion:*

17 Mr. B. Campbell commented that this was a newly negotiated three-year agreement, which was  
 18 self funding, adding that the increase in the health insurance cap was zero. He stated that the  
 19 wording and nature of the article was important – sanbornizing of the warrant - so this would not  
 20 come before the board every year. He added that the increase was part of the food service budget  
 21 in future years. Mr. B. Campbell commented that there were questions regarding the  
 22 sanbornization survey and yielded to the superintendent. Mr. Delehanty stated that a memo was  
 23 provided in December 2008, that stated that 30 out of the 32 districts surveyed presented multi-  
 24 year agreements at these meetings and stayed in accordance with the state laws. Mr. B. Campbell  
 25 commented that they adopted this new policy of sanbornization, partially because of the results  
 26 of last year.

27  
 28 ***Mr. Theberge stepped away at 7:35 PM***

29  
 30 Mr. B. Campbell stated that this had a bearing on future relations, as well as salaries. He added  
 31 that equity issues were involved.

32  
 33 ***Mr. Theberge returned at 7:37 PM***

34  
 35 Mr. B. Campbell commented that this was the first article that implemented the new rules with  
 36 regards to the contract negotiations and added that it had no impact on the budget, as it was self-  
 37 funding.

38  
 39 Mr. S. Campbell asked why there was no increase in health insurance in year one, and if there  
 40 was any increase in subsequent years. Ms. Palermo replied that the district cap was based on a  
 41 previous 7 year so the increase would be unknown. Mr. S. Campbell questioned his ability to vote  
 42 accurately if he did not know the specifics and what was being given up. Mr. B. Campbell  
 43 commented that a set formula was used. Mr. S. Campbell questioned if the formula had been  
 44 changed and its accuracy. Mr. B. Campbell replied that the formula had not changed. Ms.  
 45 Palermo added that there was no increase because the insurance went down, and that the formula  
 46 was based on a weighted average. Mr. Delehanty interjected and explained that the reduction was  
 47 a consequence of reduced service hours, which resulted in decreased expense. Mr. B. Campbell  
 48 added that this was in accordance with the sanborn decision and stated that the estimated

1 increase was based on the contract, and added that if this was approved that future increase could  
2 legally be put in the budget. Mr. S. Campbell argued that this was a weakness as the future costs  
3 were unknown, adding that he would never vote for a sanbornized contract as a budget  
4 committee member or a voter. He added further that this did not make financial sense in his  
5 opinion. Mr. B. Campbell pointed out that a summary was provided regarding the number of  
6 districts surveyed and the results and added that this supported the negotiating process, adding  
7 that the primary benefit was certainty, as well as many inherent benefits.

8  
9 Mr. Rayno stated that it was helpful to have the survey and added that in theory he supported the  
10 sanbornizing of contracts, but questioned the predictability of the costs, relative to the number of  
11 members and asked if there were any safeguards that the number of members in a specific union  
12 would not increase exponentially. Mr. B. Campbell replied that there were not, adding however  
13 that there was control over the total budget. He added that this might only be a concern if there  
14 were federal requirements, for example with the special aides. Mr. Rayno commented that he felt  
15 that this was a major advantage for the employees of the bargaining unit as they had certainty,  
16 and commented that he would expect some aggressive give backs in future negotiations.

17  
18 Mr. Carney commented that the board did have some control over staff and requested that Mr. B.  
19 Campbell get the additional information on cost for food service. Mr. B. Campbell replied that he  
20 would try to get more clarification. Mr. Delehanty added that they were not projecting a  
21 significant increase in the next three years, adding that it was the principles of the agreement that  
22 mattered. He also stated that the dollar amount was not exact or binding.

23  
24 Mr. S. Campbell stated that we were giving up control, adding that there were too many  
25 unknowns. He related issues that other towns had experienced in the past. (Kearsarge)

26  
27 Mr. Rayno added that in the Kearsarge example the number of positions could still be controlled.

28  
29 Mr. Carney commented that another alternative would be that unions would lose positions to  
30 control cost. Mr. Rayno agreed that leverage was still available.

31  
32 **VOTE: 6-3-0**, in the minority Mr. S. Campbell, Chairman Covey and Mr. Theberge

33 **The motion carried**

34  
35 **05) RECEIPT OF CORRESPONDENCE & MINUTES/APPROVAL OF MINUTES**

36  
37 Mr. Rayno noted that the December 10, 2008 minutes were still outstanding.

38  
39 **MOTION** by Mr. Rayno to receive the following correspondence/minutes:

- 40
- 41 • Receive correspondence from the Town Manager dated January 13, 2009 regarding the  
42 economic stimulus package project.
  - 43 • Receive a memo from Atty. B. Campbell dated January 13, 2009 regarding information  
44 request.
  - 45 • Receive a memo from Atty. B. Campbell dated January 14, 2009 of the 2009 Warrant  
draft

- 1       • Receive a memo from Atty. B. Campbell dated January 14, 2009 regarding contracts and  
2       insurances as well as sanbornization.

3  
4 **SECOND:** Mr. B. Campbell

5 **VOTE:** 9-0-0

6 **The motion carried unanimously.**

7  
8 Mr. B. Campbell commented that he would be sending the November 2008 financials via email  
9 this evening. He added that the December financials were not available yet.

10  
11 **06) SCHOOL BUDGETARY MATTERS: SCHOOL BOARD REPRESENTATIVE**

12  
13 Mr. Theberge requested a hard copy of the financials.

14  
15 **07) TOWN BUDGETARY MATTERS: SELECTMEN REPRESENTATIVE**

16  
17 Mr. S. Campbell referenced the twelve employees and asked if the wage increases had been  
18 incorporated as of 01/01/09. Selectman Barnes responded that they had been given.

19  
20 Mr. S. Campbell asked what if any adjustment had been made to health care. Selectman Barnes  
21 responded that the adjustments would be addressed at Town Meeting. Mr. S. Campbell requested  
22 that the changes in the cost to health care be provided, as well as copies of the contracts.

23  
24 Mr. S. Campbell asked if the Town Manager had been voted to receive a raise, and if is it  
25 required to be voted on at a public meeting. Selectman Barnes replied that he would find out.

26  
27 **08) UNSCHEDULED MATTERS**

28  
29 Mr. Carney announced that the Public Hearing would be tomorrow at 7:00 PM

30  
31 **09) ADJOURN 08:24 PM**

32  
33 **MOTION: by Chairman Covey to recess until Thursday, January 15, 2008**

34  
35 **FIRST: Mr. Rayno**

36 **SECOND: Mr. B. Campbell**

37 **VOTE: 9-0-0**

38 **Motion carried unanimously.**

39  
40 Minutes recorded by: Catherine Kupa, Recording Secretary

41  
42 Approved: Budget Committee

43  
44 Date: April 22, 2009