

APPROVED
TOWN OF PELHAM
BUDGET COMMITTEE - MEETING MINUTES
Thursday, January 10, 2019
APPROVED – April 11, 2019

CALL TO ORDER – at approximately 7:05pm

PRESENT: Mr. Michael Bailey, Mr. David Cronin, Mr. Dave Cate, Ms. Daryle Hillsgrove, Mr. Bob Sherman, Ms. Meg Bressette, Ms. Amber Capone (arrived after the meeting commenced), School Board Representative Deb Ryan, Selectmen Representative Doug Viger

ABSENT: None.

MEETING MINUTES

November 15, 2018

MOTION: (Sherman/Cate) To approve the November 15, 2018 meeting minutes as submitted.

VOTE: (8-0-0) The motion carried.

ANNOUNCEMENT

Mr. Bailey informed there would be four open positions listed on the March 2019 ballot for the Budget Committee: one (1-year) term slot and three (3-year) terms. Interested citizens can register at the Town Clerk's office beginning January 23, 2019 and ending February 1, 2019 at 5pm.

Fiscal Year 2020 SCHOOL BUDGET/WARRANT ARTICLE RECONSIDERATION

Superintendent of Schools Bill Furbush and Business Administrator Deb Mahoney came forward. Ms. Mahoney informed the Budget Committee that after careful review the School Board had recommended an overall reduction of the FY2020 General Fund budget in the amount of \$68,693.00 resulting in a General Fund budget of \$30,424,761.00. In addition, the School Board recommended a reduction of \$296,650.00 for the Special Fund resulting in the total Special Fund recommended budget of \$52,000.00. Ms. Mahoney noted the other two funds were recommended to remain the same. The total overall reduction was \$365,343.00 for a new total recommended budget of \$32,387,970.00.

Mr. Cate inquired if the default budget would remain the same. Ms. Mahoney replied the default had been modified (to \$31,812,068) and was included in the information provided to the Board.

Ms. Mahoney reviewed her memo of January 7, 2019 that outlined the proposed changes to the budget: 1) PES, Pre-School Special Education Teacher, 2) Special Education Services-anticipated tuition and transportation changes, 3) Energy Conservation-Natural Gas Conversion and 4) GASB84-Student Activities accounts.

Mr. Cate questioned the timeframe for the natural gas conversion. Mr. Mahoney replied if the budget passes in March, they will plan for the conversion over the summer. The engineers have reviewed all the equipment and reviewed energy efficiencies etc. and believe the savings would be in the range of \$140,000.

Ms. Bressette questioned when the pre-school teacher would begin. Ms. Mahoney replied they needed the position immediately; it had been posted and would be filled this month.

The Board then considered the proposed amended warrant articles. Mr. Bailey began by reading Article 1 aloud– Operating Budget/Default.

MOTION: (Cate/Cronin) To recommend Article 1 as written and read aloud.

VOTE: (8-0-0) The motion carried.

Mr. Bailey read Article 2 aloud – Collective Bargaining Agreement for 2019-2024 (Pelham School District and Pelham Education Association) plus additional costs (for 2019-2020) attributable to the increase in salaries and benefits required by the new agreement.

Ms. Capone arrived.

Mr. Cate asked how many staff were included. Ms. Mahoney replied approximately 161-162.

School Board Chairman Thomas Gellar came forward. He recognized the negotiation team that had worked with the Pelham Education Association. He told the Board they had a purpose of moving into the contract and referenced backup data that was provided to the Board. He reviewed the data which charted out a salary comparison of Pelham's FY19 salary schedule to neighboring school districts. It showed the areas where Pelham was ahead, behind by \$2,000-\$4,000 and those areas where they were behind more than \$4,000. Mr. Gellar then reviewed same comparison chart for the FY20 with ratified CBAs (some districts had no comparison because of that district's status of CBA).

Ms. Mahoney provided the Board with a red-lined version of the agreement that showed all the changes negotiated in the proposed agreement. She also provided a one-page cost document that showed how the numbers in the warrant article were derived.

Mr. Sherman saw the stipends for the high school clubs and took note of some that had been eliminated. He asked if the School Board could add clubs back during the term of the contract. Ms. Mahoney answered yes; they were always evaluating student's interests and the contract allows for the School Board to take funds from one club and apply it to a club the students were interested in. Mr. Cronin wanted information about the freshman basketball cost that had been removed. Ms. Mahoney explained it was a program that had not run, so they used the funds in a different place. Mr. Furbush added that there was not enough student interest in the program. Mr. Cronin asked if students could try-out for the varsity team. Ms. Mahoney replied it was open for all students.

Ms. Bressette asked if there was data to show what percentage teachers were being lost each year. Mr. Furbush replied they had tried to calculate the percentage, but it was challenging because there could be instances where a position was filled more than one time during a year which could skew the data. Ms. Mahoney stated they had twenty-eight terminations in their system (of

161); some were two different terminations for one position. Ms. Hillsgrove asked how many retirements there had been. Ms. Mahoney stated they had five retirements last year.

Ms. Bressette wanted to know if there was information for the number of teachers in each salary track. Mr. Furbush replied the majority of the teachers were in the 6yr-15yr range. Ms. Mahoney said that's where they started doing adjustments to the schedule. She noted a teacher after five years becomes tenured (on continuing contract). She stated it was very important for them to compensate once a teacher reaches that level in their certification.

Mr. Bailey wanted to know the terminology of 'off-schedule'. Ms. Mahoney replied it was a person being paid higher than the top step. Those individuals will receive a 1% increase with the contract; eventually the schedule will adjust so they'll move onto the schedule. She explained the steps and the associated compensation and how individuals would be appropriately shifted. She noted they added a longevity so there would be an extra payment to adjust during the first year. She explained they would receive a one-time payment, each year (based on salary) if they were eligible for longevity.

For the public, Mr. Bailey asked who was included in the agreement. Ms. Mahoney replied the bargaining group was just teachers; their largest population group for the district.

MOTION: (Cronin/Cate) To recommend Article 2 as read.

VOTE: (9-0-0) The motion carried.

The Board thanked Ms. Mahoney and the Schools for their presentation.

2020 TOWN BUDGET/WARRANT ARTICLE RECONSIDERATION

Town Administrator Brian McCarthy came forward. He reminded the Board that during budget review/vote the Town didn't hadn't received all the final figures (i.e. insurance, fuel). The Budget Committee had approved \$16,215,708.00 as the Town's Operating Budget. Subsequently, a few changes were made to fuel that effected several budgets; adjustments have been made.

- 1) Gasoline increased from \$2.50 to \$2.75
- 2) Diesel increased from \$2.75 to \$3.25

An adjustment was made to the bank fees line of the Treasurer's budget. Mr. McCarthy explained that the line had been underfunded and learned that fees had recently increased. The proposed increase was \$6,000. Mr. McCarthy then spoke to the requested increase of \$3,368 to Town Buildings to deal with water. Pennichuck's rates had increased approximately 18%-19%. He informed that the Town's insurance had increased approximately 11.9%; the new budget number is \$2,590,049.

Mr. McCarthy told the Board the new budget request was \$16,421,227.

Ms. Bressette asked if the Town had previously paid bank fees. Mr. McCarthy answered yes; they had been over-expending the line item. Ms. Bressette questioned if they had reviewed other banks. Mr. McCarthy answered yes. He credited the Treasurer for seeking out the best rate and found that Enterprise Bank offered the best rates; therefore, the accounts had been moved approximately two years ago.

MOTION: (Sherman/Cate) To approve/recommend the requested total increase of \$245,046 bringing the new Town budget figure to \$16,421,227.00.

VOTE: (9-0-0) The motion carried.

Mr. McCarthy read aloud the article including the Town Operating Budget and Default budget figure.

MOTION: (Sherman/Cate) To recommend the Town Operating Budget article for the budget (\$16,421,227.00) and default (\$16,452,385.00) figures as read aloud.

VOTE: (9-0-0) The motion carried.

Mr. Bailey read aloud the Support Union Contract article.

Mr. Cate asked if the agreement had been negotiated with all the department heads. Mr. McCarthy replied he negotiated with input from department heads who had employees that participated with the union. The contract took nine months to negotiate; Mr. Cate recognized the efforts of doing so.

MOTION: (Cate/Cronin) To recommend the Support Union Contract article as read.

VOTE: (9-0-0) The motion carried.

Mr. McCarthy told the Board he appreciated everyone's time and patience during the budget review/approval process.

Library Renovation Project Warrant Article

Library Director Rita Gavelis, Library Trustee Jennifer Maslanek and Library Trustee Chairwoman Rose Cares came forward to discuss the proposed renovation project.

Mr. Bailey read the article aloud.

Ms. Maslanek understood the Board had questions from the previous meeting because they didn't have an opportunity to review the figures contained in the presentation.

Mr. Cate stated he was in favor of recommending the article and felt the changes were necessary.

Mr. Cronin thanked the Library for submitting a thorough presentation. He wanted to know how the excluded items (i.e. furniture, loose furnishings, equipment) would be funded. Ms. Maslanek replied there were furniture items that would be remaining. Funding for the bookcases and regular improvements were contained in their budget. Mr. Cronin asked if appliances would be needed for the kitchenette. Ms. Gavelis understood they would be using their existing refrigerator. Mr. Cronin asked for confirmation that the specified figure would pay for the project. Ms. Maslanek and Ms. Gavelis both answered yes. Ms. Ryan understood there was a 10% contingency figure built into the proposal. Ms. Gavelis answered yes. Ms. Cares noted they had self-funded phase I of the project with money they had accrued from Trust money (left in an article when the library was built); remaining money could be used toward the furniture etc.

176 Ms. Capone saw that the project estimate documents indicated (page 12) that ‘construction’
177 contingency was not included; the only thing included was the ‘design’ contingency. Ms.
178 Maslanek referred to page 2, which she believed included design and construction. She said the
179 only thing not included in the contingency was if the steel beams were not located in the first-
180 floor ceiling to support the new floor on the second level. She told the Board that the blue prints
181 of the building indicate there are steel beams in place. Ms. Maslanek told the Board she would
182 confirm the contingency with the architect. Mr. Sherman noted if there were any concerns the
183 Library could adjust the figure during Deliberative session.
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MOTION: (Cate/Sherman) To recommend the warrant article for the Library as read.

VOTE: (9-0-0) The motion carried.

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187 **ADJOURNMENT**
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MOTION: (Sherman/Cate) To adjourn the meeting.

VOTE: (9-0-0) The motion carried.

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190 The meeting was adjourned at approximately 8:11pm.

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192 Respectfully submitted,
193 Charity Landry
194 Recording Secretary