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**MINUTES OF THE
BUDGET COMMITTEE**

**MEETING OF
January 15, 2009**

7 **01) OPEN MEETING**

8 The Municipal Budget Committee Meeting of Thursday, January 15, 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.

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14 **03) INTRODUCTION OF MEMBERS**

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16 **MEMBERS PRESENT:**

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

27
28 **OTHERS PRESENT:**

29
30 Michael Delehanty, Superintendent
31 Linda MacDonald, School District Business Administrator

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34 **04) PUBLIC HEARING ON TOWN OF SALEM BOND ARTICLES AND COLLECTIVE**
35 **BARGAINING AGREEMENT ARTICLES**

36
37 Chairman Covey opened the Public Hearing, recessing it until 7:15 p.m. She re-opened it at 7:15
38 p.m. and closed it as there was no public input.

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41 **05) RECEIPT OF CORRESPONDENCE & MINUTES/APPROVAL OF MINUTES**

42
43 **MOTION** by Mr. Rayno to receive the following correspondence/minutes:

- 44 • Receive information from the Salem School District Representative Atty. Bernard Campbell
45 relative to the SAFSP Food Service Contract

- 1 • Receive an email dated January 14, 2009 from Atty. Bernard Campbell of the Salem School
2 District financials as of November 30, 2008

3 **SECOND:** Atty. B. Campbell

4 **VOTE:** 9-0-0

5 **The motion carried unanimously.**

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8 **06) FINAL VOTES ON SALEM SCHOOL BOARD BOND ARTICLES AND**
9 **COLLECTIVE BARGAINING AGREEMENT ARTICLES**

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12 **MOTION by Mr. Rayno**

13 **Article 3:** Shall the school district vote to approve the cost items and to raise and appropriate the
14 sum of \$411,642 to fund those cost items related to the step increase in teachers', nurses', and
15 student services specialists' salaries for the fiscal year 2009-10, in accordance with the 2008-09
16 agreement between the Salem School Board and the Salem Education Association (SEA); and
17 further raise and appropriate the sum of \$831,615 to fund those cost items related to an increase
18 in teachers', nurses', and student services specialists' salaries and benefits for the fiscal year
19 2009-10, the second year of a three (3) year collective bargaining agreement between the Salem
20 School Board and the Salem Education Association (SEA), representing the additional costs
21 attributable to the increase in teachers', nurses', and student services specialists' salaries and
22 benefits over those paid in the 2008-09 fiscal year, or to take any other action relative thereto.

23 **With Recommendation**

24 **SECOND: by Mr. Carney**

25
26 *Discussion:*

27 Mr. S. Campbell stated that he would be voting against this article due to economic times and his
28 personal philosophy.

29
30 **VOTE:** (roll call)

31 Mr. Randazzo – abstain

32 Ms. David –no

33 Mr. Rayno –yes

34 Mr. Theberge – no

35 Mr. S. Campbell – no

36 Mr. Carney - yes

37 Attorney Campbell – yes

38 Mr. Barnes – yes

39 Chairman Covey – yes

40 **The motion carried 5-3-1, with recommendation**

41
42 **MOTION by Mr. Rayno**

43 **Article 4:** Shall the school district vote to approve the cost items and to raise and appropriate the
44 sum of \$37,353 to fund those cost items related to an increase in secretaries' salaries and benefits
45 for the fiscal year 2009-10, the second year of a two (2) year collective bargaining agreement
46 between the Salem School Board and the Salem Educational Personnel Association (SEPA);
47 such sum of money representing the additional costs attributable to the increase in secretaries'

1 salaries and benefits over those paid in the 2008-09 fiscal year, or to take any other action
2 relative thereto.

3 **With Recommendation**

4 **SECOND: by Mr. Carney**

5
6 *Discussion:*

7 Mr. S. Campbell commented that the increase in health insurance caps were larger for the other
8 unions because this was defeated last March. Atty. Campbell responded that this was not
9 retroactive; the employees were paying the health increase out of their pockets. He added that
10 they were setting the cap for the year, adding that the group currently pays 22% and the school
11 pays 78%.

12
13 Mr. Randazzo referenced the employee contributions and asked if they were individually
14 negotiated. Atty. Campbell commented that the cap was negotiated, and the price was dependent
15 on the plan chosen. Mr. Randazzo asked how the percentages were derived. Atty. Campbell
16 commented that this was a formula based on the cap, how many people took the plan and the
17 cost of the plan, as well as how many hours were worked and the union to which they belonged.

18
19 **VOTE:** (roll call)

20 Mr. Randazzo – yes

21 Ms. David –yes

22 Mr. Rayno –yes

23 Mr. Theberge – no

24 Mr. S. Campbell – no

25 Mr. Carney - yes

26 Attorney Campbell – yes

27 Mr. Barnes – yes

28 Chairman Covey – yes

29 **The motion carried 7-2-0, with recommendation**

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32 **MOTION by Mr. Rayno**

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

40 **With Recommendation**

41 **SECOND: by Mr. Carney**

42
43 **VOTE:** (roll call)

44 Mr. Randazzo – yes

45 Ms. David –yes

46 Mr. Rayno –yes

47 Mr. Theberge – no

48 Mr. S. Campbell – no

1 Mr. Carney - abstain
 2 Attorney Campbell – yes
 3 Mr. Barnes – yes
 4 Chairman Covey – yes
 5 **The motion carried 6-2-1**

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 8 **MOTION by Mr. Rayno**

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

16 **With recommendation**
 17 **SECOND: by Mr. Carney**

18
 19 *Discussion:*

20 Mr. S. Campbell stated that he thought that the increase in the health cap was larger than the
 21 teachers and given the state of the economy and the percentage of the increase in the budget he
 22 indicated that he would be voting no.

23
 24 **VOTE: (roll call)**

25 Mr. Randazzo – yes
 26 Ms. David – yes
 27 Mr. Rayno –yes
 28 Mr. Theberge – no
 29 Mr. S. Campbell – no
 30 Mr. Carney - yes
 31 Attorney Campbell – yes
 32 Mr. Barnes – yes
 33 Chairman Covey – yes

34 **The motion carried 7-2-0**

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 36
 37 **MOTION by Mr. Rayno**

38 **Article 7:** To see if the Salem School District will vote to approve the cost items included in the
 39 collective bargaining agreement reached between the Salem School Board and the Salem
 40 Association of Food Service Personnel, which calls for the following increases in salaries and
 41 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

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

49 **With Recommendation**

1 SECOND: by Mr. Carney**2**
3 Discussion:

4 Mr. S. Campbell commented that sanbornizing a contract did not make financial sense, as we
5 would be locked into a long-term contract, which would require cuts to be made in other areas.
6 He suggested that this change was made because of past failures, and added that we were taking
7 the power away from the voters. Mr. B. Campbell stated that this discussion had been had
8 previously and added that the major reason that this was discussed was because of the bargaining
9 process, adding that this was negotiated in good faith. He added further that he felt a deal was a
10 deal, that surrounding communities follow this practice, that the negotiation process was an
11 expensive one, as well as time consuming, that the community benefits from long term contracts
12 as it offers stability. He added that food service was self-funding, and thought that this article
13 was appropriate.

14
15 Ms. David commented that she would be abstaining, as she did not want to set a precedent with
16 this contract. She stated in closing that we should keep the jobs we have and keep up with
17 maintenance.

18
19 Mr. Carney commented that the unions might change their negotiation strategy in terms of years,
20 going from multiyear deals to one-year deals based on this outcome.

21
22 Mr. S. Campbell argued that the multi-year contracts do not have significant changes to
23 language, stating that something needed to be given up in order to get something. He also stated
24 that contracts very rarely fail, adding that the employees should bear the cost of the negotiation.
25 He added that the taxpayers were losing flexibility. Mr. B. Campbell interjected that the
26 negotiation costs were born by the employees, as they were represented by the state designee.

27
28 Mr. Rayno encouraged Ms. David to vote adding that he supported the concept of
29 sanbornization, as this was the way the private sector handled these issues. He added that he
30 would be voting no, based on the percentage of the raise being received (2.75%) as this was a
31 significant win for the bargaining unit. He stated that he felt that this percentage of an increase
32 was too high.

33
34 Mr. B. Campbell added that based on the wage of these personnel it was not a significant amount
35 and asked the board to consider this when voting.

36
37 Mr. Rayno commented that even though there was no tax impact, pay freezes were the norm, and
38 argued that to lock in at this time, he felt was too much. He added that this was reflective of the
39 historically difficult financial times.

40
41 Mr. Randazzo offered his opinion that he felt it was economical to be looking at multi-year
42 contracts, as they promote stability. He stated further that tough decision needed to be made and
43 asked for clarification on the health caps and rates. Mr. B. Campbell explained how the
44 percentages were derived, and added that the caps were different based on the union/job.

1 Chairman Covey commented that she had intended to support this, but stated that the increases
2 were too high and the number of people in the union could not be controlled. She stated that she
3 did not want to cut people's jobs, instead of promoting raises, and suggested that a cap be placed
4 on the number of people allowed to be in each bargaining unit. She stated in closing that she
5 would vote no, as she was not comfortable with sanbornization at this level.

6
7 Mr. Theberge commented that if he voted for sanbornization, flexibility would be lost and added
8 that he did not want to lose personnel or the ability to perform maintenance.

9
10 **VOTE:** (roll call)

11 Mr. Randazzo – yes

12 Ms. David – abstain

13 Mr. Rayno – no

14 Mr. Theberge – no

15 Mr. S. Campbell – no

16 Mr. Carney - yes

17 Attorney Campbell – yes

18 Mr. Barnes – yes

19 Chairman Covey – no

20 **The motion carried 4-4-1, Without Recommendation, Motion Failed**

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23 **07) SCHOOL BUDGETARY MATTERS: SCHOOL BOARD REPRESENTATIVE**

24
25 There was nothing for discussion under this item.

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28 **08) TOWN BUDGETARY MATTERS: SELECTMEN REPRESENTATIVE**

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30 Selectman Barnes commented that Finance was working on the spreadsheet relative to the
31 contracts referenced at the last meeting, that the Town Manager had not received a raise and that
32 this would not happen until he had received his review and the Board of Selectmen had voted it
33 on.

34
35 Mr. S. Campbell asked if the other 11 members of this unit had received their raises. Selectman
36 Barnes replied that they had, and added that they were now paying more into their health
37 insurance premiums. Mr. S. Campbell added that it was never a good idea to implement the
38 contracts terms until they were signed by all parties.

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41 **09) UNSCHEDULED MATTERS FOR DISCUSSION**

42
43 Mr. Carney asked when the School Warrant was going to be signed. Atty. Campbell replied that
44 he would find out, but thought the date was the 23rd.

1 **10) ADJOURN 7:58 PM**

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3 **MOTION: by Mr. Rayno to recess until Thursday, February 05, 2009 at 6:45 PM to the**
4 **Salem High School Media Center**

5

6 **SECOND: Mr. Theberge**

7 **VOTE: 9-0-0**

8 **Motion carried unanimously.**

9

10 Minutes recorded by: Catherine Kupa, Recording Secretary

11

12 Approved: Budget Committee

13

14 Date: April 22, 2009