



*Budget Committee Meeting
Approved Minutes
January 3, 2012*

These minutes were prepared as a reasonable summary of the essential content of this meeting, not as a transcription.

1. Review Minutes of the November 29th, December 6th and 19th Meetings

Motion by David Peck to approve the minutes of November 29, 2011 as amended. Seconded by Margaret Allen. Motion carries 8-0-1.

Motion by Bob Copp to approve the minutes of December 6, 2011. Seconded by Michael Golden. Motion carries 8-0-1.

Motion by Dickie Garnett to approve the minutes of December 19, 2011 as amended by Michael Golden and Bob Copp. Seconded by Rick Stanton. Motion carries 9-0.

2. Review School Warrant Articles

Bill Hickey reviewed a summary of the tentative agreements between the Seacoast Education Association (SEA), the Seacoast Educational Support Personnel Association (SESPA) and the SAU #21 School Boards. A copy of those tentative agreements is attached to these minutes.

Mr. Hickey stated that there is a two-year proposal for the SEA contract and a health savings of \$38,767 as well as a change in the prescription plan, and a .50% health insurance premium cost shift from the employer to the employee.

Mr. Stanton asked how this contract differed from the contract that was negotiated last year.

Mr. Hickey stated that he did not have those variances with him, and stated that this was a whole new round of discussions from last year.

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Mr. Golden stated that it appears that longevity is being paid, and asked when was the last increase for those folks that are “not at the top.”

Mr. Hickey stated that the last increase was in 2010.

Mr. Hamilton stated that if you only raise the top step, it is detrimental to the school system because it does not increase the first step, and it hasn't increased for the past two years. He further stated that if that continues, the town will not be able to attract the kind of teachers that our neighbors attract.

Mr. Peck stated that the health insurance plans had been looked at two meetings prior, and it appeared that a couple of the plans were growing in cost, with two of the plans growing in excess of 30% over the last several years, with others increasing 20%. He further stated that it is a dramatic increase in overall costs and asked if there were any changes made.

Mr. Hickey stated there were changes made to the prescription plan as well as the cost shift of .50% from the employer to the employee. He further stated that those changes resulted in a savings of \$36,767 or almost 5%.

Mr. Peck stated that it is a significant percent savings.

Mr. Hickey stated that the SESP contract is for three years, and the salary schedule will be increased by 1% in the first year, 1.5% in the second year and 1.5% in the third year of the agreement. He further noted that the prescription plan changes in the SEA contract would be the same in the SESP contract.

Chair Martino stated that both the SEA and SESP contracts have not passed for two years, and that if one town in the SAU votes down the contract, then it does not pass.

Mr. Stanton asked why the contract was biased so heavy for the people at the top end of the scale.

Mr. Copp stated that the majority of the teachers are on the top end throughout the district.

Mr. Hamilton stated that the increase in salaries of 1.75% is on the meager side, as typically the budget committee has given non-union town employees a 2% raise for the past two years.

Henry Marsh, North Hampton School Board member, stated that with the withdrawal of the town of Hampton from the SAU, the SAU is being revised and the structure reviewed.

Mr. Hickey reviewed the proposed land purchase next to the school and stated that they are still in negotiations with the homeowner, and they are in a holding pattern at this time.

Chair Martino stated that the Budget Committee would need to have a warrant article for the Public Hearing on January 10, 2012.

Mr. Stanton asked that the Budget Committee be given more information on the purchase such as a copy of the home inspection and the letter of agreement.

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Mr. Golden stated that he would also like to have a copy of the comps and the appraisal.

Mr. Garnett asked if there is an actual plan for the property, and would they would be tearing it down for future expansion of the school.

Mr. Sarazen stated that plans have yet to be determined for the use at this time.

Mr. Hickey stated that the Health Care Capital Reserve Fund has been funded for the past couple of years with the unexpended fund balance.

Chair Martino stated that this fund has been placed first on the warrant the past couple of years so that it is funded first with unexpended funds.

Mr. Hickey stated that \$50,000 is proposed for the Special Education Trust Fund from the unexpended fund balance.

Mr. Hickey stated that \$60,000 is proposed for the Building Maintenance Trust Fund.

Chair Martino stated that Mr. Peck would be presenting a power point presentation.

Chair Martino called for a brief recess.

Chair Martino called the meeting back to order.

Mr. Peck stated that he wanted to give a quick update on where they are in the budgeting process.

The first slide Mr. Peck presented showed that originally the school had come in with a budget request of \$7,917,628, and then returned with a revised suggested budget of \$7,751,628. He further stated that he wanted to let the group know that if both Collective Bargaining Agreements (CBA's) are approved it would result in a 3.3% increase in the budget, and in his mind he felt that it is too high.

Mr. Peck stated that his next slide focused on what Mr. Sweet had presented at a prior meeting regarding the cost per pupil in the town, and how they compare to other local school districts. He further stated that what Mr. Sweet presented for towns showed that the cost per pupil for North Hampton was significantly below the average of the seacoast towns that were selected. Mr. Peck stated that he didn't agree with the towns that were selected, as they didn't even include contiguous towns like Exeter and Stratham, therefore it is not comparing apples to apples.

Mr. Peck stated he took what he felt would be reasonable equivalents, and instead of taking a simple average which included the town of Newington that has only 32 students but at a cost of \$25,525 per pupil, he took a weighted average. He further stated he took the enrollment and cost per pupil and then multiplied them to get a total spending for the towns that he felt, as a budget committee person, were significant. He further stated that he took all of the towns that the school had historically looked at and added in Exeter and Stratham which are contiguous to North Hampton and bears looking at

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certainly more than South Hampton. The total cost per student average for the greater seacoast is \$14,267, compared to North Hampton which is at \$15,299, which is about 7% higher in his view.

Mr. Peck stated that he then looked at contiguous towns to North Hampton which included Exeter, Rye, Greenland, Stratham and Hampton, and the average comes out to \$13,755 per pupil.

Mr. Peck spoke about NECAP scores and whether or not a higher cost per pupil results in a higher NECAP score.

Mr. Peck reviewed enrollment and class size at North Hampton School and noted that grades 3 and 7 have a class size of 14 with certified staff of four and three teachers respectively.

Mr. Peck stated that when he looks at enrollment of Pre-K versus total enrollments, and noted that North Hampton has 19, whereas New Castle, Hampton Falls and Rye have zero.

Mrs. Allen stated that Rye has a community preschool that is shared with the town of Greenland.

Mr. Peck stated that perhaps someone from the school could address the question as to why there is a significant amount of zero enrollments compared to a significant amount of enrollments in North Hampton.

Chair Martino stated that he would like to give Mr. Sweet or Mr. Sarazen the opportunity to discuss what Mr. Peck presented, and to also ask the other members if they had any questions or if their opinions had changed since the last meeting on December 19.

Mr. Sweet stated that he appreciated the work that Mr. Peck put into his presentation. He further stated that the data that he used was what has been used historically in North Hampton.

Mr. Sweet stated that when it is talked about which schools to include, SAU 21 is included as well as SAU 50 and SAU 90. He further stated that he would guess the reason why Stratham and Exeter was not used is because they have a cooperative middle school which includes several towns that are not even near North Hampton. Mr. Sweet also stated that Mr. Peck used this year's enrollment figures and last year's figures should have been used because the per pupil costs being used are from 2009/2010.

Mr. Sweet stated that all districts are responsible for children ages 3 and up for students with special needs. Some districts may contract out and put them in another district, but the district the student lives in is responsible for whoever is in their district. When looking at enrollment figures, you would not necessarily see everyone that is included in the budget because they may be enrolled in another district, but is being paid for by the school district the student resides in.

Mr. Copp stated that he wanted to be sure that everyone realizes that 1% of the budget increase represents New Hampshire State Retirement costs that the state has now put onto the schools and towns.

Mr. Peck stated that he agreed with Mr. Copp in that it is an unfunded mandate, but he stated that it is reality and it is an operating expense increase.

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Chair Martino stated that he views the budget as a 2.26% increase and views warrant articles as separate, whereas Mr. Peck disagrees and views the budget as a 3.3% increase.

Mr. Maggiore stated that he viewed the budget as a 3.3% increase.

Mr. Garnett stated that he completely agreed with Mr. Peck and Mr. Maggiore.

Mrs. Allen stated that she sees the budget as a 2.26% increase.

Mr. Golden stated that he is comfortable with a 2.26% increase, but that he would be forced to vote down the two collective bargaining agreements, based on the structure of the contracts and the fact that it would bring the budget over 2.26%.

Mr. Copp stated that if the school is to continue to grow and to teach well in the school, then there needs to be the money to do it.

Mr. Stanton stated that he views the budget as a 2.26% increase but that he also realizes that it could be a little higher than that.

Mr. Hamilton stated that he views the budget as a 2.26% increase.

Mr. Peck stated that he really is in a quandary because he couldn't look someone in the eyes and tell them that he thinks it's fair to approve a 3.3% increase. He further stated that he agrees with the CBA's and they deserve an increase that is equal to somewhere around what the taxpayer's are seeing as an increase.

Motion by Chair Martino to approve Warrant Article 1, the North Hampton School operating budget, of \$7,751,628 and a default operating budget of \$7,836,992. Seconded by Mr. Peck. Mr. Hamilton stated for the record that this amount does not include the SEA and SESPAs contracts. Mr. Golden stated that the default budget is \$85,000 higher. Motion carries 9-0.

Motion by Chair Martino to approve Warrant Article 2 for the Seacoast Educational Associates (SEA) contract for the 2012/2013 budget in the amount of \$64,956. Seconded by David Peck. Mr. Stanton stated that he would be voting in favor, but would like to see a 1.75% increase across the board so that it is less discriminatory. Mr. Hamilton questioned why the step increases were for those that held a Master's degree. Mr. Copp stated that the reason that the Bachelor's track increase stops at 10 is to encourage teachers to get their Master's degree. Mr. Maggiore stated that he would be voting in favor as he did not want to penalize the teachers, but in hindsight wishes he had been more ardent on the fight on the operating budget side. Mr. Peck asked Mr. Maggiore if he is therefore supporting a 3.3% increase and Mr. Maggiore stated that he was. Mr. Hickey clarified that there is an eleventh step for Master's. Motion carries 6-3.

Motion by Chair Martino to approve Warrant Article 3 for the Seacoast Educational Support Personnel Association (SESPA) contract for the 2012/2013 budget in the amount of \$12,115,

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2013/2014 in the amount of \$17,476 and 2014/2015 in the amount of \$17,291. Seconded by Mr. Peck. Motion carries 6-3.

Motion by Chair Martino to approve Warrant Article 5 to add up to \$30,000 to the existing school Health Insurance Expendable Trust Fund and to be funded from the June 30, 2012 unreserved fund balance available for transfer on July 1, 2012. Seconded by Mr. Peck. Motion carries 9-0.

Motion by Chair Martino to approve Warrant Article 6 to add up to \$50,000 to the existing Special Education Expendable Trust Fund and to be funded from the June 30, 2012 unreserved fund balance available for transfer on July 1, 2012. Seconded by Mr. Peck. Motion carries 9-0.

Motion by Chair Martino to approve Warrant Article 7 to add \$60,000 to the existing Building Maintenance Trust Fund and to be funded from the June 30, 2012 unreserved fund balance available for transfer on July 1, 2012. Seconded by Mr. Peck. Motion carries 9-0.

3. Other

Chair Martino stated that Warrant Article 4 will be voted on once the numbers have been received.

Chair Martino asked Mr. Maggiore for an update on where the town budget stands.

Mr. Maggiore stated that the Select Board is meeting with the department heads in a public meeting on January 18, 2012 at 1:00 PM.

Chair Martino stated that there will be a Public Hearing on the school budget on January 10, 2012 at 7:00 PM at the school.

Mr. Hamilton noted that a report published in October of 2011 of the U.S. Bureau of Labor Statistics lists the Portsmouth area as number 12, or 4.4%, on the unemployment list of 365 metropolitan statistic areas, with one being the lowest and 365 the highest.

Tamara Le, Walnut Avenue read a statement regarding the elimination of the Occupational Therapist's position and distributed copies of a cost analysis as to the replacement costs associated with the position, to the Budget Committee.

Motion by Mr. Peck to adjourn the meeting at 9:15 PM. Seconded by Mr. Garnett.

Respectfully submitted,

Janet Facella
Administrative Assistant

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