

Minutes of the Litchfield Budget Committee Meeting

Held on January 3, 2013

The Litchfield Budget Committee held a meeting on Thursday, January 3, 2013 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

PRESENT: J Harte (Chairman), R Peoples (Vice Chairman), B Spencer, A Cutter, C Pascucci, D Barka (School Board Representative), G Lambert (Board of Selectmen Representative), G Lambert (Selectman), J Hoch (Town Administrator), B Cochrane (Superintendent), S Martin (Business Administrator)

ABSENT: C Couture

Mr. Harte called the meeting to order at 7:01 p.m.

1. PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

Jason Guerrette, 11 Perry Court, commended Mr. Martin for his work on the Default budget. He noted there are many differences as compared to last year. He indicated the School Board chose to act against the advice of legal counsel. Mr. Guerrette commented that last year the attorney addressed mistakes in the default budget. This year the School Board voted to include CCSS materials contrary to their attorney's advice. Mr. Guerrette believes the Budget Committee should review the default budget and advise the Board. He believes there are items included in the default budget that do not belong in there.

Mr. Guerrette commented that the CBA insurance cost analysis contains an artificially calculated tax impact. He noted that there is a large reduction in health insurance because they are moving to a new carrier. He indicated that the tax number is artificial because the deduction would have occurred anyway.

Robin Corbeil, 4 Nesmith Court, asked is the Budget Committee's vote to recommend or not to recommend before or after Deliberative Session? Mr. Harte noted the vote occurs before Deliberative Session.

Mrs. Corbeil asked if there is a way to modify the vote. Mr. Harte indicated after Deliberative we can meet and vote.

Mrs. Corbeil indicated that can be confusing as the time and thought you put into this process is important. She commented that it was confusing last year and hopes that the Budget Committee recommendations are noted on the ballot this year.

3. PRIOR MEETING MINUTE APPROVAL

Mr. Harte indicated the minutes for December 27, 2012 will be available at the next meeting. He asked to defer approval of the minutes from December 20, 2012 for review.

4. TOWN BUSINESS

Mr. Harte noted that all Town warrant articles have been approved with the exception of Articles 4, 11 and 13. The content of all others remained the same.

Article 4: 2013 Operating Budget of \$5,045,145 and the Default Budget number will be inserted.

Mr. Harte indicated the Default number is \$4,974,847; however, the Board of Selectmen have not yet voted. He noted that the BOS will vote on January 14. He suggested the Budget Committee vote on the article and if the Default number changes, the Committee can revote after the Budget Hearing.

VOTE: 6-1-0

Article 4 is Recommended.

Article 11: Cost of Living Wage Adjustments

Mr. Lambert commented that the BOS voted to recommend a 2% cost of living adjustment for non-union employees, effective April 1, 2013.

Mr. Spencer asked how many people will not get raises if the article fails. Mr. Lambert commented that he does not have that number at this time.

Mr. Pascucci asked how the BOS determined the percentage of the adjustment. Mr. Lambert indicated the BOS discussed that there has been no cost of living adjustment for two year and thought that 2% was appropriate. He noted other options were discussed.

Mr. Pascucci commented a 1% adjustment is budgeted for school district non-union employees. Mr. Barka clarified that Food Service employees were budgeted a 3% increase because the market analysis showed their schedules were behind. Dr. Cochrane indicated the analysis was significant.

Mr. Peebles disagreed commenting that students are paying for their lunch and the raise comes from the revenue, which comes from the taxpayers. Mr. York commented that it comes from the parents of the students who pay for the lunches. He noted that taxpayers without children do not fund Food Service or the raise in salaries.

Mr. Lambert commented that we increased salaries in 2012 and the percentage of the increase currently in the police union contract is guiding us. He indicated the BOS decided to suggest the use of that rate.

Mr. Spencer asked what will happen if the article fails. Mr. Lambert commented that the employees will not get the increase.

VOTE: 1-6-0

Article 11 is Not Recommended.

Mr. Lambert asked why the article was voted against. Mr. Harte indicated that the BOS is proposing a COLA in addition to a step. He noted that the district proposed a 1% adjustment, but held their employees to the current step. He believes it is not financially feasible in this economy.

Mr. Spencer agreed.

Mr. Pascucci agreed, but expressed confidence that this type of increase will not go to warrant, but will be included in the budget in the following year. He commented that raises are always requested no matter the economy. Mr. Pascucci indicated that people are paying more in the Social Security Payroll Tax. He prefers to see a proposal for an increase when the economy is better.

Mr. Cutter believes that 1% COLA would be more appropriate.

Mr. Peeples commented that many are taking pay reductions and no one is getting raises. He indicated that we need to try to keep within our budgets and wait a couple more years.

Article 13: Human Services Agencies

Mr. Lambert explained that this article is to see if the town will vote to raise and appropriate the sum of \$4,952 to support the requests of human services agencies listed in the article.

Mr. Harte asked about the reason for the change in the amount as compared to the original submission. Mr. Lambert indicated that the BOS included what was done last year. He noted if voters want to increase the article, they may do so at Deliberative Session. Mr. Lambert indicated that the article represents actual requests.

Mr. Harte commented that the Child Advocacy Center is included in the budget.

Mr. Lambert commented that one of the agencies came off the list last year and may be added back if more is added at Deliberative Session. He indicated that the article is specific and may create a problem. Mr. Lambert noted it is not the responsibility of government to donate to non-profit organizations and each year it is a struggle for those who do work for the community.

VOTE: 6-1-0

Article 13 is Recommended.

5. SCHOOL BUSINESS

Mr. Barka commented on Mr. Guerrette's statement that the health insurance numbers relative to the CBA are artificial. He indicated they are real savings from the health insurance company. He noted that the number budgeted are conservative and based on the assumption of every teacher enrolling in the HMO option, which is a less expensive plan.

Mr. Barka reported that the Board approved the teachers contract unanimously last night. The default budget was presented, but the Board did not vote on the final number. He reported that the Board decided to add the CCSS materials because they are required to be funded.

Mr. Pascucci commented in reference to the default budget. He indicated that this Committee has no say in the creation of the default, but has the right to discuss it by law. He agreed that the Committee agreed with funding for CCSS, but the materials are to be funded and approved on the local level. He suggested the materials be funded in a different way. Mr. Pascucci agreed with the attorney's opinion regarding the exclusion of the CCSS materials in the default budget. He commented that last year after the incident surround the default budget, School Board members were frustrated and agreed to an opinion by legal counsel. He indicated that Mr. Martin was clear to have it on record that the Board voted against the advice of the attorney. Mr. Pascucci suggested that the default budget is inflated artificially by \$90,000.

Mr. Barka commented that the \$90,000 is the cost of the CCSS materials. He indicated that the District is required to provide the materials under state law. He noted the attorney stated that the language of the law is unclear.

Mr. Martin clarified that the RSA language leaves the decision up to the Board regarding the materials they want to purchase to implement CCSS. He noted the attorney's advice is that one could read the law and because the local School Board has the final decision on materials, one could argue purchasing the materials is not required by law, which makes no sense. The attorney advised to be clear we are required to implement CCSS in 2014. Mr. Martin indicated that the Board's decision is CCSS cannot be implemented without the materials. He commented that the attorney took a conservative approach and the Board will review the default budget again next week.

Teachers Contract

Dr. Cochrane introduced Carolyn Leite and Jill Deleault as LEA Co-Presidents. Dr. Cochrane made the following statement:

Research about teaching effectiveness is compelling. The most important aspect to student learning is the quality of teaching. Many sources agree that highly effective teaching results in one and one half years growth for one year of instruction. A highly effective school is a school full of highly effective teachers. Our salary scale is below the state average. The best way to retain and attract more high quality teachers is this contract, which is fair and affordable. It took much time to structure the contract this way. The experience students get and the value the community gets from schools is driven more by teachers than anything else. This is a more important contract than most years. A positive vote of the Budget Committee will go a long way with the voters.

The School Board's number one priority was to get on the tract of lower health care costs. The northeast in general has the highest level of health care in the country. If we can start from a smaller base we can accrue those saving year over year. Moving to a higher out of pocket plan incentivizes employees to be more careful with their health care.

Mr. York made the following statement:

The Board spent many meetings in non-public session trying to determine a formula for success on this contract. The Negotiating Team did a good job with the direction of the Board. Teachers achieved some of their goals and the School Board achieved some of their goals. The School Board's goal was to bring an affordable contract to the town. We were conscious of the tax impact and teachers understood what was presented to them. School Care was presented to the teacher group. We hope the Budget Committee supports the contract as it will help toward getting voter approval.

Mrs. Leite commented that it was a matter of give and take throughout negotiations. She noted that there will be financial impacts to teachers. She indicated that the LEA believes the contract is fair and affordable to the town and we are looking for the Budget Committee's support.

Mr. Martin explained that:

- In Year 1 and 2 there is a step increase with no COLA
- In Year 2 there is a \$300 longevity increase, which does not reflect an increase in retirement rates (next year's retirement rates were used)
- A \$49,000 increase in benefits is strictly cost related to the CBA
- In Year 1, step 1 is a ghost step as we dropped step 1 and added step 16 (i.e. a B+7 teacher will remain on this step, but it is an increase as this step was step 8 in the old schedule).

Mr. Martin commented that half of the employees on the top step will not get a step increase. Health insurance savings is a real savings. Mr. Martin pointed out that currently we have LGC insurance and if not agreed to in the CBA, we cannot change. He indicated that in 2016, the Cadillac tax will be lower to the District with the new health plan. He noted that there will be additional savings in 2016. Mr. Martin commented that this is a minimal savings for health insurance as we assumed that all LEA members currently enrolled in a health plan through the District will opt to take the HMO plan. He indicated that the expectation is that many members will opt for the lower cost Open Access plan.

Dr. Cochrane indicated that the contract reflects a change in contribution to premiums: 85%/15% for the Open Access Plan and 83%/17% for the HMO. He noted that this was structured carefully and deliberately. He commented that it is impractical for the town to see it structured this way to show the savings.

Mr. Spencer commented that he would prefer 80%/20%. He asked how the new plan differs from the existing plan.

Mrs. Mahoney explained there are different benefits under the new plan. The doctor and prescription co-pays are higher. The Open Access Plan has a deductible and an 80/20 structure. School Care is provided by Cigna, which is a national plan under which no referrals are required.

Dr. Cochrane indicated that the plans are comparable except for co-pays, deductibles and max out of pocket expenses. He noted that the plans will impact different people in different ways. For example, if you are young and healthy you will realize savings. For someone who is sick or has a child that is sick, they may reach their max quicker. Some will break even and some will

be able to save. Dr. Cochrane commented that the incentive leads people to make good decisions when utilizing the insurance. He noted that we will be able to guarantee savings by the structure.

Mrs. Deleault commented in addition, the Cigna plan incentivizes wellness as a group. There are rebates for health assessments and bio-activity.

Mr. Lambert asked if it is fair to say that the employees are going to be better off and not take insignificant sacrifices in the change? Mr. Martin answered in the affirmative and commented it is because of the national network. He noted that most employees will view it as a better plan, and some will pay more with more use, but not have lower health care.

Mr. Harte commented that his employer switched to the same kind of program. He noted the wellness is important and incentivizes and educates employees.

Mr. Cutter asked if the District is assuming that every teacher will enroll in the plan. Mr. Martin indicated it was assumed that only those currently enrolled this year will enroll in the plan. He noted that there could be additional enrollments; however, there were more waivers this year.

Mr. Pascucci asked why the savings is included in the cost analysis as that number is not accurate. Mr. Martin indicated that is an accurate number.

Mr. Pascucci commented that it was stated the savings were calculated based on the assumption that teachers would take the highest cost plan, which may not be the case. He noted that there may be more savings and the number is not really accurate. Mr. Martin indicated that we are required to disclose to the voters and take conservative estimates.

Mr. Pascucci commented that this is a better plan for employees; however, if the contract fails the existing plan remains. He indicated that more families may enroll because it is a better plan. He commented when looking at the total picture, we should not be looking at the savings, but looking at the rates.

Mr. York indicated there is a \$220,000 increase with the LGC plan, as compared to a \$170,000 decrease with School Care. This analysis is based on current information. Mr. York explained that it is unknown how it will look until all staff are hired in the fall. He noted that this is a reflection of how it may look.

Mr. Peeples commented that the real cost of the contract will be an unknown because the Cadillac tax is not reflected. Mr. Martin indicated that although we do not know what the tax is, we know it will a lower tier Cadillac plan.

Dr. Cochrane referred to statements that this is a better plan for employees. He clarified it is not as there are higher co-pays and deductibles for employees. He indicated it is clearly a better plan to the District and taxpayers. Dr. Cochrane pointed out it is not as good as plan as we had, but it costs less for the District.

Mr. Spencer referred to the savings and asked if by conservative that means there could be a higher savings. Mr. Martin explained that we assumed all staff currently enrolled in health care would take the HMO option, but expect that younger staff will opt for the Open Access plan, which will result in more savings.

Mr. Spencer commented that if the contract passes, it will be in the budget next year. He indicated if the savings is better it will impact the \$150,000 reduction in salaries/benefits we recommended.

Mr. Pascucci commented if this contract had \$0 impact it would not be good. Dr. Cochrane indicated that if you end up with no contract you have an air of uncertainty and more turnover. He noted that there has been instability with no contract.

Mr. Pascucci commented that this year's turnover was because of retirement changes. Dr. Cochrane indicated that the turnover was because staff left for higher paying jobs with better benefits. He noted we are now getting younger, less experienced teachers. Dr. Cochrane commented it will take 5-10 years for a teacher to reach the highly effective status.

Mr. Pascucci commented having a job is certainty. He indicated that this contract is important. He asked if we are going to lose teachers if the contract fails. Dr. Cochrane believes if the contract fails we will lose teachers.

Mr. Peebles asked how the contract has more highly effective teachers. Dr. Cochrane indicated that we will retain those teachers and a better salary scale will help attract more.

Mr. York commented that there are important language changes in the contract, which allows teachers to be used in more effective ways (i.e. study halls will be more structured so that a math teacher can assist math students that may come into that study). He noted that the School Board wanted to ensure changes to health care and compensation, but also to help administration better utilize teachers.

Dr. Cochrane pointed out that the language regarding Reduction in Force (RIF) changed as it deletes the wording regarding probationary teachers protected in the first five years. He noted that teachers are also saying they are willing to be judged on performance.

Mrs. Leite commented that this is important for teachers as we wanted some of the language clarified. She indicated that we want the best teachers working with us. She noted that cleaning up the RIF language was important and fair.

Mr. Pascucci believes that this contract is not fair to the teacher or the people of the town. He does not believe that the teachers are here for the money. Mr. Pascucci stated that we do not pay good teachers enough and some we pay too much.

Mr. Lambert commented that he is not a fan of CBA's and the NH system lacks transparency. He stated, however, that he can support this contract as it addresses concerns and areas that were under question.

Mr. Harte mentioned that there are three pages of stipends. Dr. Cochrane indicated that all stipend positions are listed in the CBA. He noted that stipend positions are included in the budget, but can be reduced later.

Mr. Peeples commented that the language regarding teacher experience is vague. Mrs. Leite explained that part of that language is based on the shifting of enrollment numbers. She noted that in order to avoid reduction in force we have transferred teachers from one grade level to another. Mrs. Leite indicated in the past the language did not state that and teachers did not want to transfer grade levels.

Mr. Harte commented that the contract was well presented and sends the right message to teachers. He expressed support for the contract. He expressed favor for the health care options and empowering employees from a wellness viewpoint.

Mr. Spencer commented that we have digested everything in the contract and that the Committee should vote.

MOTION: by Mr. Barka

Move to recommend School District Article 2: 2013-2015 Collective Bargaining Agreement

SECOND: by Mr. Lambert

VOTE: 7-0-0

The motion carried.

- **SCHOOL DISTRICT VOTING**

- a) School District Warrant Articles

Article 1: Operating budget \$20,990,591, with a default budget of \$21,159,012

MOTION: by Mr. Barka

Move to recommend Article 1: Recommended Operating Budget of \$20,990,591

SECOND: by Mr. Lambert

VOTE: 6-1-0, with Mr. Barka opposing

The motion carried.

Mr. Pascucci stated that he is opposed to the default budget number.

Article 3: Retention of Funds

Mr. Barka explained that the article is saying the School Board can create an emergency fund not to exceed 2.5% of the net assessment, which is \$12.2M.

Mr. Martin clarified that the Board can retain funds only if there is money remaining at the end of the year. He noted after funds are retained, any remainder is returned to the taxpayers.

Mr. Harte asked who decides if money is used if an emergency arises. Mr. Martin explained that if the School Board and Budget Committee are in agreement with a request to use the money, the Commissioner of Education decides if the funds can be used.

Mr. Spencer expressed support for the article. He believes that it puts more concern on the District because requests have to go before the Budget Committee.

Mr. Pascucci commented that he feels more comfortable with the idea of retaining funds since there are restrictions on spending.

Mr. Harte commented that this gives the District a pool they can use on an emergency basis; however, it must be deemed an emergency and they must justify to the Budget Committee why the end of year funds cannot be used. Once they have approval from the Budget Committee, they must seek approval from the Commissioner of Education.

Mr. Spencer commented if you have a bigger reserve there you can budget sharper and have something to fall back on.

Mr. Pascucci commented that this fund will be larger than the two reserve funds and asked why take the whole 2.5%. Mr. Martin commented that the wording of the article is taken from the law. He explained that if the article passes and there is money left over at the end of the year, he will ask the Board how much of the 2.5% they would like to retain. The Board can reduce the percentage so that some funds are used to offset the tax rate. He noted that is the primary driver of the bill.

MOTION: by Mr. Barka

Move to recommend Article 3 relative to retention of end of year funds

SECOND: by Mr. Spencer

Mr. Pascucci asked if warrant articles will be brought forth next year to replenish the capital reserve funds. Mr. Martin indicated that would require voter approval from end of year funds.

VOTE: 6-1-0

The motion carried

Article 4: Statement of estimated tax impact on warrants

MOTION: by Mr. Barka

Move to recommend Article 4 relative to placing a statement of estimated tax impact on the warrant

SECOND: by Mr. Cutter

VOTE: 7-0-0

The motion carried.

Mr. Lambert asked the Committee to vote on Article 17 of the Town Warrant.

Article 17: Statement of estimated tax impact on warrants

MOTION: by Mr. Lambert

Move to recommend Article 17 relative to placing a statement of estimated tax impact on the warrant

SECOND: by Mr. Cutter

VOTE: 7-0-0

The motion carried.

SCHOOL DISTRICT DEFAULT BUDGET

Mr. Spencer asked about the special education out of district tuition number. Mr. Martin indicated that it is the same as what was appropriated last year. He noted that he is literally following the law.

Mr. Spencer commented that it significantly inflates the default budget. He asked why the number agreed to was not used for special education transportation. Mr. Martin indicated that the School Board did not reduce that line. Dr. Cochrane indicated by law we have to use what was approved by the School Board.

Mr. Spencer believes the number is unreasonable.

Mr. Pascucci commented that there was an issue last year and asked about what was included for salaries/benefits. Mr. Martin indicated that all teachers were budgeted at current levels and non-union employees were budgeted at their expected step.

Mr. Pascucci disagreed with the inclusion of the non-union compensation plan. He commented that it is not a contract. Mr. Martin explained that every lawyer he spoke with agrees that the approved compensation plan is included in the default budget.

Mr. Pascucci agreed with asking the Board to vote separately to add the CCSS materials. He believes the law is clear that the purchase of CCSS materials does not belong in the default budget. Mr. York commented when Litchfield decided to implement kindergarten purchases were needed, which were included in the default budget.

Mr. Pascucci commented that the language of the law is vague and the default budget is not policed. He referred to the explanation of the default budget by the LGC attorney. He indicated that the Budget Committee supported the implementation of CCSS because it is important, but it does not belong in the default budget.

Mr. Lambert pointed out that we have three distinct legal opinions and they are all different. He noted that one point where there is agreement is that there is no enforcement of the default budget. He hinted that this year there could be a difference in the law for Litchfield where the default budget is concerned.

Dr. Cochrane indicated that the School District attorney said that the law may be interpreted to conclude that the purchase should not be included in the default budget.

Mr. Spencer commented that additional special education tuition is included and is not required by IEP. He indicated that he was referring to next year's special education tuition. Mr. Martin indicated that it was budgeted based on next year's expected tuition requirements.

Mr. Spencer commented it is not logical to include the tuition in the default if you do not know it is needed. Mr. Martin indicated that he budgeted this year according to the law.

Mr. Spencer commented that handicapped tuition is higher than agreed as well. Mr. Martin indicated that he is following the law this year.

Mr. Pascucci commented that he complimented the work on the budget by the Board and Budget Committee and how we worked together successfully. We preserved Dr. Cochrane's goals and worked together in good faith. He indicated that statements were made at the Board meeting last night by Board members that seemed adversarial. Mr. Pascucci indicated that statements were made that the Budget Committee can present the budget and the Board would speak about their positions. He commented that Board members disagreed with how we calculated budget items. Mr. Pascucci indicated that the Budget Committee is tasked as a second set of eyes. He noted that both committees did a fantastic job with budget presentations. Mr. Pascucci commented that the Budget Committee is part of the process; not an impediment. He believes that [after watching the meeting last night] the Board does not feel we are part of the process.

Mr. Barka explained that the conversation was mostly about whether to approve the budget. He indicated that he felt most of the reductions were valid. He commented that his reason for voting against the Budget Committee's budget was because of the reduction in the salary account. He believes it will not be under spent this year.

Mr. Lambert made the following statement:

Many people see him as the man who wants to spend less money. He has spent much time reading the NH Constitution, which describes the three branches of government. The Budget Committee, School Board, and Board of Selectmen are community government and it is this Budget Committee that ensures there is not too much money in those budgets. The interworking of these boards is important. The Constitution says the three essential powers ought to keep as separate from and independent of each other as the nature of government will admit. Taxpayers have the same problem in the community. There is much frustration over the default budgets and the work these boards are doing. The three boards are elected for different reasons: the Budget Committee is elected to watch over the dollars; the School Board to watch over the students; the Selectmen to govern the town. We are working together and the dialogue is important. The people elected did what needed to be done.

Mr. Pascucci agreed that we have to work together. He indicated that people are looking for honesty and for those elected to work together for the common goal. He noted that there has been enough adversity. Everyone that presented the budget did a fantastic job and the dialogue was respectful. Mr. Pascucci commented that if he sees adversity at Deliberative Session he will

point it out. He noted that he will do his best to keep it factual. He indicated that people do not need to see adversity between the boards.

Mr. Harte thanked the Board of Selectmen, School Board and Budget Committee for their hard work. He commented that it was a collaborative effort and he appreciated the candor of the School Board and SAU. Mr. Harte noted that all responses to questions were very quick. He agreed we need to work together and do the right thing.

6. MEMBER INPUT

There was no member input.

7. PUBLIC INPUT

Jason Guerrette, 11 Perry Court, referenced statements by Mr. Barka regarding health savings in the CBA. Mr. Guerrette commented that Mr. Barka has never been involved in the negotiation process. He indicated that as someone who has been involved in that type of process, he is surprised that there is no sidebar agreement on health care in the contract. Mr. Guerrette suggested the use of Health Savings Accounts (HSA) to help with costs that are not covered by insurance. He noted that the money for HSA's is deducted from an employee's pay prior to taxes. Mr. Guerrette commented that his deductibles and co-pays are higher. He expressed disagreement with the Budget Committee's support for the contract. He commented that raises for school district employees impact property taxes. Mr. Guerrette indicated that there are people who make less and have to make harder choices. He disagreed that the contract is a good agreement. He asked how much more could have come out of that contract.

Mr. Guerrette commented on the fund retention article supported by the Budget Committee. He indicated that the voters will not be able to vote on the use of the funds should the district decide some funds are needed. He asked how much liberty has been given away to vote on each individual thing. Mr. Guerrette commented that he voted for the Budget Committee to watch his money. He disagreed with the Budget Committee's decision to support the article.

Robin Corbeil, 4 Nesmith Court, commented that she was pleasantly surprised at how everyone worked together at the meeting before the holiday break. She conveyed that she heard some members say they did not want to go forward with the budget because it is too high. Mrs. Corbeil expressed concern that there is no choice for the voters between the operating budget and the default budget – whether town or school district. She indicated that not everyone understands the budgets. She noted it is important that all who are engrossed in this work make an accurate recommendation.

Mrs. Corbeil commented that as a parent she wants her children to have a good education and she wants her school system to be good. She indicated that teacher want to teach, but when there is no contract much energy is pent worrying about what will happen in the next negotiation. She expressed concern with the \$150,000 reduction.. She was concerned with the comment that more could have been taken out of the contract. She was concerned that teachers could be impacted. Mrs. Corbeil indicated that she does not want to live in a town that looks at budgets and recommends the least amount to get by. She stated that she wants to live in a town where people can have what they need. She thanked the Budget Committee for their work and their

leadership.

Mr. Lambert commented that he understands Mrs. Corbeil's concern on the default budget. He explained that the default budget comes with no restrictions as it is a bottom line budget. He noted that the town or district cannot spend any more than what is approved. He indicated that the legislature gave much power to the executive officers in the town and school district. Mr. Lambert believes we need to find some level of control. He commented that individual warrant articles give the voters some control.

Mr. Spencer commented that the Budget Committee reduced salaries and benefits by \$150,000 because it is under spent every year. He explained that the Committee felt they could make a reduction that was reasonable. He commented that a conservative approach was taken with savings on the contract.

Mr. Harte commented that the salary account was reduced because of attrition. He indicated that Mr. Martin put some staff placeholders in the budget as reductions. He noted if the School Board and SAU decide to RIF those teachers it is their decision.

Mrs. Corbeil expressed much concern over the reduction of teachers. Budget Committee members agreed that they did not make the reduction to negatively impact teachers or students.

Mrs. Corbeil commented that the voters are limited in choice and there is nothing on the ballot that allows us to hold onto some of that funding. Mr. Spencer indicated that the Budget Committee has no control over the default budget. He commented that the Committee member that is missing tonight was in agreement with the reduction in salaries. He noted that the Budget Committee did not intend for teachers to be reduced.

Mr. Harte commented even if the Committee decides to reduce by line item, the budget can be spent as they deem appropriate because it is a bottom line budget. He noted that the Budget Committee is responsible for doing what is fiscally responsible for the taxpayers.

Mr. Barka indicated that after the March vote, the Board will look at what is approved along with retirements and enrollments. He noted that the Board will make the best decision for the needs of the students.

Mrs. Corbeil commented that people need to be educated and understand the process so they can express their support.

- **Upcoming meetings**

The next meeting of the Budget Committee is to be determined. The Budget Hearing will be held on January 10, 2013 at 7:00 p.m. in the CHS Auditorium.

MOTION: by Mr. Cutter

Move to adjourn.

SECOND: Mr. Barka

VOTE: 7-0-0

The motion carried unanimously.

There being no further business, the meeting adjourned at 10:20 p.m.

Minutes by: *Michele E. Flynn (Recording Secretary)*

Date approved: **January 10, 2013**