

**Town of Northwood
Budget Committee Minutes
January 16, 2014**

Chair Ginger Dole calls the meeting to order at 7:07 p.m.

PRESENT: Chair Ginger Dole, Selectmen Representative Robert Holden, School Board Representative Timothy Jandebaur, Thomas Chase, Daniel McNally, Bonnie Sears, Hal Kreider, James Ryan, Mike Carlton, Keith McGuigan, Nicole Roy, Board Administrator Linda Smith, and Board Secretary Lisa Fellows-Weaver.

Water District Representative John Jacobsmeyer arrives at 7:09 p.m.

ABSENT: Excused: Vice Chair Betsy Colburn, Northwood Cove Village District Representative James Vaillancourt, Bunny Behm, Lois Nichols.

SCHOOL REPRESENTATIVE'S PRESENT:

Superintendent Dr. Robert Gadomski, Special Education Director Scott Reuning, Business Administrator Marjorie Whitmore, Principal Richard Hartford, School Board Chairman Scott Bulger, School Board Vice-Chair Karen Brieger. School Board Member Bill Mello.

5 members of the public are present.

SCHOOL PUBLIC HEARING

Ms. Dole states that a copy of the budget committee's proposed 2014-2015 school district budget has been distributed along with the warrant articles, estimated tax rate information, a copy of the default budget, and copies of the proposed contracts for the support staff and teachers.

Mr. Jacobsmeyer arrives at 7:09 p.m.

ARTICLE #2: OPERATING BUDGET

Postponed to later in the meeting.

ARTICLE #3: SUPPORT PERSONNEL ASSOCIATION COLLECTIVE BARGAINING AGREEMENT

"To see if the Northwood School District will vote to approve the cost items included in the collective bargaining agreement reached between the Northwood School Board and the Northwood Educational Support Personnel Association which calls for the following increases in salaries and benefits at the current staffing level:

Fiscal Year 2014-2015 – Estimated Increase \$49,277

And further to raise and appropriate the sum of Forty nine Thousand Two Hundred Seventy seven Dollars (\$49,277) for the 2014-2015 fiscal year such sum representing the additional costs attributable to the increase in salaries

Official as of April 7, 2014

**Town of Northwood
Budget Committee Minutes
January 16, 2014**

and benefits required by the new agreement over those that would be paid at current staffing in the prior fiscal year?”

The School Board recommends this appropriation by a 4-0-1 vote. The Budget Committee recommends this appropriation by a 12-0-1 vote. The tax impact if this article passes is .01 per \$1000.

No discussion is held.

ARTICLE #4: TEACHERS’ ASSOCIATION COLLECTIVE BARGAINING AGREEMENT

“To see if the Northwood School District will vote to approve the cost items included in the collective bargaining agreement reached between the Northwood School Board and the Northwood Teachers’ Association which calls for the following increases in salaries and benefits at the current staffing level:

Fiscal Year 2014-2015 – Estimated Increase \$\$187,900

And further to raise and appropriate the sum of One Hundred eighty Seven Thousand Nine Hundred Dollars (\$187,900) for the 2014-2015 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels in the prior fiscal year?”

The School Board recommends this appropriation by a 5-0 vote. The Budget Committee recommends this appropriation by a 13-0 vote. The tax impact if this article passes is .04 per \$1000.

No discussion is held.

ARTICLE #5: RETIREMENT BENEFIT CAPITAL RESERVE FUND

To see if the Northwood School District will vote to establish a capital reserve fund under the provisions of RSA 35 to be known as the Retirement Benefit Capital Reserve Fund for the purpose of funding the retirement benefits of Northwood School teachers and further raise and appropriate the sum of “up to” fifteen thousand dollars (\$15,000) to be placed in the fund with such amount to be funded from year-end undesignated fund balance (surplus) available on July 1, 2014, and further appoint the School Board as agents to expend this fund?

The School Board recommends this appropriation by a 5-0 vote. The Budget Committee recommends this appropriation by a 13-0 vote. There is no tax impact if this article passes.

**Town of Northwood
Budget Committee Minutes
January 16, 2014**

No discussion is held.

ARTICLE #6: BUILDING CAPITAL IMPROVEMENT CAPITAL RESERVE FUND

To see if the Northwood School District will vote to raise and appropriate “up to” twenty five thousand (\$25,000) to be placed in the Building Capital Improvement Capital Reserve Fund for the purpose of financing any and all capital improvements to school buildings as well as all or part of the cost of new construction for the Northwood School District, with such amount to be funded from year end undesignated fund balance (surplus) available on July 1, 2014. Current balance at 12/31/13 is \$42,960.67.

The School Board recommends this appropriation by a 5-0 vote. The Budget Committee recommends this appropriation by a 13-0 vote. There is no tax impact if this article passes.

Michael Faiella states that there are articles that indicate that there is “no tax impact”; if there is a surplus returned to the town the taxes are reduced so that there really is a tax impact. He asks if this is required statement and he does not feel that this is an accurate statement as there is an impact if any surplus is returned.

Ms. Dole replies that there will be no new taxes raised as the taxes have already been raised. She adds that as far as anything being returned to the general fund, that is determined by the selectmen when they set the tax rate to determine how much is available to reduce the tax rate. She states that there may be some years where the selectmen may not be able to use any amount to offset taxes, as they need to maintain a certain amount in the fund. Ms. Dole adds that all warrant article language is reviewed by the DRA.

Mr. Jandebaur states that he has spoken to Ms. Samms of DRA and this is the wording that DRA has requested the school use. He states that he does agree with Mr. Faiella in that the wording really means no additional taxes.

ARTICLE #7: HIGH SCHOOL TUITION CAPITAL RESERVE FUND

To see if the Northwood School District will vote to raise and appropriate “up to” fifty six thousand dollars (\$56,000) to be placed in the High School Tuition Capital Reserve Fund, established in March 2010 for the purpose of funding the tuition payments of Northwood High School students with such amount to be funded from year-end undesignated fund balance (surplus) available on July 1, 2014. Current balance at 12/31/13 is \$0.

**Town of Northwood
Budget Committee Minutes
January 16, 2014**

The School Board recommends this appropriation by a 5-0 vote. The Budget Committee recommends this appropriation by a 12-0 vote. There is no tax impact if this article passes.

No discussion is held.

ARTICLE #8: SPECIAL EDUCATION CAPITAL RESERVE FUND

To see if the Northwood School District will vote to raise and appropriate “up to” twenty five thousand (\$25,000) to be placed in the Special Education Capital Reserve Fund for the purpose of meeting the expenses of educating educationally disabled children for the Northwood School District in accordance with the provisions of RSA 35:1-b, with such amount to be funded from year end undesignated fund balance (surplus) available on July 1, 2014? Current balance at 12/31/13 is \$279.77.

The School Board recommends this appropriation by a 5-0 vote. The Budget Committee recommends this appropriation by a 13-0 vote. There is no tax impact if this article passes.

No discussion is held.

ARTICLE #9: KINDERGARTEN PROGRAM

Shall the Northwood School District raise and appropriate the sum of forty five thousand dollars (\$45,000) for the purpose of establishing an all-day Kindergarten program at Northwood School beginning with the 2014-2015 school year?

The School Board recommends this appropriation by a 5-0 vote. The Budget Committee recommends this appropriation by a 12-0 vote.

No discussion is held.

ARTICLE #2: OPERATING BUDGET

“Shall the Northwood School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling Eleven Million Eight Hundred Seventy Seven Thousand One Hundred Eight Six Dollars (\$11,877,186) Should this article be defeated, the default budget shall be Eleven Million Six Hundred Seventeen Thousand Four Hundred Thirty Six Dollars (\$11,617,436) which is the same as last year, with certain adjustments required by previous action of the Northwood School Board or by law; or the governing body may hold one special

**Town of Northwood
Budget Committee Minutes
January 16, 2014**

meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.”

The operating budget warrant does not include appropriations contained in any other warrant articles. The School Board recommends this appropriation by a 5-0 vote. The Budget Committee recommends this appropriation by a 12-0 vote.

No discussion is held.

With no further comments, Ms. Dole closes the school district’s public hearing.

WORK SESSION

Ms. Dole opens the work session.

Upcoming Meetings

Ms. Dole states that she has become accustomed to referring to the monthly report as the financial statement when in fact it is really an expenditure report, meaning how much has been spent on what items up to a specific date.

Mr. Jandebaur states that he did email the school board members regarding the budget committee’s request for materials. He states that the information that will be provided to the budget committee will be the last information that was received and reviewed by the school board. He states that the school board will further discuss this matter at their upcoming meeting. He states that he did discuss the committee’s request for information with Dr. Gadomski who also felt that the school board would need to discuss the matter and agreed the school board will provide the last financial report that was reviewed by the school board.

Mr. Kreider asks if it is the committee’s procedure to review the financial reports on a quarterly basis or to review the quarterly financials. He states that in one case the committee will meet four times per year and review the information provided, and the other means that the committee would wait until the end of each quarter to review the final, audited figures.

Ms. Dole replies that past practice has been that the budget committee would meet quarterly and review expenditures for the town and school from January 1 through March 31 as soon as possible in April. She states that in the past what was provided from the town and school board was a printout of all expenditures assigned to appropriate lines as of the date the report was printed, per requirements allowing for mailing time for the committee’s meeting. She adds that trying to review the expenditures quarterly gave the committee members better insight into when certain work would be completed, when certain expenses would come out, etc. She states that this process was a

Official as of April 7, 2014

**Town of Northwood
Budget Committee Minutes
January 16, 2014**

reflection for the committee if the town or school were on track. She further explains that in the past sometimes the figures were 6-7 weeks old, depending on when the materials were reviewed.

Mr. Kreider feels that the committee could review quarterly reports knowing that the figures provided were accurate and up to a specific time frame. He states that he does not feel that it is necessary to have a hard cutoff date. He states that he would support the quarterly reports if it were easier for people.

Mr. Chase comments that the committee has been fortunate this year to complete the business so quickly as compared to past years. He states that he does not have any problems with meeting twice in April, once for the town and water district, and then again for the school. He would like Mr. Jandebaur to meet with his board and provide the committee with real figures, not prorated figures.

Mr. McGuigan asks what the committee is legally required to do. Ms. Dole explains that the committee is legally required to set the budget; however, the committee has met during the year to review reports and see how things are going. She feels that it is beneficial for the committee to meet quarterly. She states that both the town and school did an outstanding job this year, everything was transparent and went extremely well.

Mr. Jandebaur states that centralized bookkeeping has been introduced this year within the SAU. He explains that two positions have been eliminated between the three schools and the SAU, with this change. He states that right now he does not believe that the school board will distribute information that they have not reviewed. He notes that perhaps this will change over time. Discussion ensues regarding the timing of the school board meeting in April and when the materials could be provided to the budget committee. Mr. Jandebaur states that he feels the third quarter is the most important quarter for the budget committee to review as there is still time to react should there be any issues.

Discussion ensues regarding holding an additional meeting or reviewing the school's information that has been reviewed through the most recent school board meeting.

Ms. Smith indicates that the committee typically holds an organizational meeting in March for elections, new members, etc. Discussion ensues.

Mr. Kreider makes a motion, second by Mr. Chase, to schedule a work session for the budget committee on April 7, 2014, at 7:00 p.m. to welcome new members, review the town's first quarter budget, and review

Official as of April 7, 2014

**Town of Northwood
Budget Committee Minutes
January 16, 2014**

the water district's budget; and meet for a work session on Tuesday April 29, 2014, 7:00 p.m. to review the third quarter of the school. Motion passes unanimously; 12/0.

Minutes

January 8, 2014

Mr. Jandebeur makes a motion, second by Ms. Roy, to approve the minutes of January 8, 2014, as written. Motion passes unanimously; 12/0.

MS Forms

The MS signature pages are provided to members for the Northwood Cove Village District and the Northwood School.

Ms. Dole states that the MS forms will be reviewed by herself, Ms. Colburn, and Ms. Behm. The school MS form is provided to Mr. Jandebeur.

Audit Letters

Copies of the town's audit and management letter are distributed. Ms. Dole notes that the committee has not received the school's audit information. Mr. Jandebeur states that the audit information will be mailed out to the committee members out as soon as it is available along with the December 31, 2013 report.

Term Reminders

Ms. Dole reminds members of terms and the filing dates.

Mr. Jacobsmeyer makes a motion, second by Mr. McNally, to adjourn. Motion passes unanimously; 12/0 at 7:53 p.m.

Respectfully submitted,

Lisa Fellows-Weaver
Board Secretary