

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

Chair Ginger Dole calls the meeting to order at 7:05 p.m.

**PRESENT:** Chair Ginger Dole, Selectmen Representative Robert Holden, School Board Representative Dave Ruth, Water District Representative John Jacobsmeyer, John Difeo, Bonnie Sears, Lois Nichols, James Ryan, Thomas Chase, James Vaillancourt, and Board Secretary Lisa Fellows-Weaver. Board Administrator Linda Smith arrives at 9:00 p.m.

**ABSENT:** Excused: Vice Chair Betsy Colburn, Daniel McNally, Muriel Johnson, and Herb Johnson.

**TOWN REPRESENTATIVE:**

Finance Administrator Sandy Garrett

**SCHOOL BOARD MEMBER:**

Timothy Jandebour

**PUBLIC PRESENT:**

Joseph McCaffrey

**PUBLIC HEARING VILLAGE DISTRICT**

Ms. Dole reads a letter of resignation from Mr. Vaillancourt, resigning as a member at large, as he is now the budget committee representative for the Northwood Cove Village District.

**Mr. Holden makes a motion, second by Ms. Nichols, to accept Mr. Vaillancourt's resignation, with regret. Motion passes; 8/1/1.** Mr. Vaillancourt abstains; Mr. Holden is opposed.

Mr. Holden asks if Mr. Vaillancourt has been sworn in by the village district clerk. Mr. Vaillancourt replies yes.

Mr. Difeo asks if this is a new committee. Ms. Dole replies that this is a new district and adds that the budget committee will now have 16 members.

Mr. Chase asks if the district currently exists or does it exist on passage of the warrant article. Mr. Vaillancourt replies that the selectmen held a public meeting of the domiciled registered voters within the boundaries of the proposed district and voted the district into existence November 13, 2012. Mr. Chase asks if there could have been a representative on the budget committee since the district's legal existence. Mr. Vaillancourt replies yes.

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

Mr. Holden states that he voted in opposition to Mr. Vaillancourt's resignation as he feels that Mr. Vaillancourt should stay on as a regular budget committee member and the village district should have another member.

Ms. Dole states that the committee is currently in work session and she turns the meeting over to Mr. Vaillancourt.

Mr. Vaillancourt provides a packet of materials to members consisting of copies of the warrant, a map of the area showing the rights of way within the district, a spreadsheet with amounts and descriptions required by RSA, and a supplemental schedule showing the maximum amount of appropriation that can be voted at the annual meeting.

Mr. Vaillancourt explains that the neighborhood was developed by two gentlemen in the 1950's-1960's. He states that the town took the private roads and one of the properties for taxes in 1983. In 1985, the Northwood Cove Association was formed and asked the selectmen to sell the private roads and lot 49, which is a beach right of way to the association. The association did purchase these for \$1. He states that since 1985, the association has raised funds to maintain the roads. He adds that in 1985 most of the area was summer residences and now there are more full-time residents. The private roads now need to be plowed in the winter and there is more wear and tear to the roads. He further explains that in recent years the association has not been able to raise the necessary funds to maintain these roads for the entire year. He explains that discussions have been held and plans floated; the village plan appeared to be the way to go. He states that on June 12, 2012, the NH Association of Village Districts held a presentation for the property owners; approximately 30 of the owners were in attendance. In July, a petition was signed by 14 domiciled registered voters inside the boundary requesting the Town of Northwood to set up a village district. On November 13, 2012, a public hearing was held by the selectmen and a vote of the domiciled registered voters in the proposed village district was held. Mr. Vaillancourt states that the vote was unanimous to establish the district.

In addition, Mr. Vaillancourt states that, per RSA, the boundaries were established by the selectmen and he believes that it is the responsibility of the selectmen to establish the assessed value of the property and provide the information to the NH Department of Revenue Administration.

Mr. Vaillancourt states that the interim officers of the district have been elected. He states that there are three commissioners, a chair, a clerk, a treasurer, and a moderator. He states that the district is much like the town.

Mr. Vaillancourt states that the district is presenting their budget to the budget committee requesting the budget be recommended.

*Official as of April 30, 2013*

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

A discussion is held regarding the criteria used to put the residences within the district. Mr. Vaillancourt states that the petition that was submitted to the selectmen indicated that properties with a driveway on one of the four roads would be included in the district.

Mr. Vaillancourt states that the town's attorney did review the petition. He explains that there are 13 reasons why a village district can be created; the main reasons are water, sewer, and to maintain roads.

Mr. Vaillancourt states that the budget is to maintain the roads both in the summer and winter months. He states that the total proposed operating budget is \$8,600, which is included in Warrant Article 2. He explains the proposed budget and amounts as follows:

Road Maintenance - \$2,500

Plowing - \$4,000

Sanding - \$600

Insurance - \$200

Legal Fees - \$1,000

Other Expenses - \$300

**Mr. Holden makes a motion, second by Mr. Chase, to recommend Art 2, in the amount of \$8,600.**

Mr. Ruth asks what the town's financial commitment is and asks if the town will be issuing tax bills to the residents plus a fee for the district. Mr. Vaillancourt states that this budget is submitted to DRA and DRA sets the tax rate. The town will add another line in the tax bills for residents in the district.

A discussion is held regarding emergency expenditures. Mr. Vaillancourt states that if there were emergency expenditures the commissioners would notify the budget committee and DRA and follow the standard process.

Further discussion is held on who is allowed to vote within the village district boundaries.

Mr. Holden asks how many people would be able to vote out of the 42 households. Mr. Brad Hall, chair of the commissioners, states that it is approximately, 20-22 voters.

Ms. Sears asks if the roads in the district are maintained by the town. Mr. Vaillancourt replies that these roads are private roads. He explains that there were dues for the Northwood Cove Association for the purpose of maintaining the roads. Mr. Vaillancourt states that about half of the residents joined the association; however, there were still not enough funds available to maintain the roads. He states that to become a village district is not an easy process as there

*Official as of April 30, 2013*

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

are many RSA's that need to be followed. He adds that the total assessment of the neighborhood is approximately \$8.2 million.

Mr. Holden states that once the tax rate is set it is up to the village district to spend their budget accordingly. Ms. Dole adds that the town is serving as a facilitator to collect the funds.

Mr. Ryan asks what the gains are for having the village district. Mr. Vaillancourt states that as an association the money could not be raised. With the district, there will be a budget of \$8,600 and the commissioners can get the contracts needed to maintain the roads. He adds that everyone in the district contributes and the burden is on the town to collect the funds.

Mr. Ruth asks what happens if the taxes are not paid. Mr. Holden states that the town can place a lien on the house. Mr. Vaillancourt states that the Supreme Court has upheld that decision.

**VOTE: YES: BH, JD, BS, LN, DR, TC, JJ, JV, GD. NO: JR. Motion passes; 9-1.**

Mr. Holden asks if Mr. Ryan would share his concerns with the committee. Mr. Ryan states that this is trying to solve a present problem and he does not feel that the formation of the village district will solve tomorrow's problems. Further discussion ensues.

The MS forms are signed.

With no additional questions or comments, Ms. Dole closes the work session and opens the public hearing for the village district warrant at 8:07 p.m. With no comments from the public, Ms. Dole closes the public hearing at 8:08 p.m. and reopens the work session.

Mr. Vaillancourt states that the commissioners felt that there may not be many residents within the district present tonight and, therefore, have scheduled a public hearing for Feb. 9 at the town hall at 10 a.m.

**TOWN**

Selectman Holden states that there is a surplus of \$196,250.90, as noted on page 14 of the town's fourth quarter budget report.

*Page 9 - Paving & Reconstruction*

Mr. Chase states that \$55,000 was not spent in the supplies line, 43121-680. He adds that the highway block grant line, 43121-880, shows \$135,000 budgeted and the reported amount is \$176,907.93. Ms. Garrett states that the reported amount is the actual amount spent on those projects. She states that this report

*Official as of April 30, 2013*

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

is an expenditure report, there is no revenue in the report. Mr. Chase notes that nothing was spent from the town block grant appropriated line, 43121-881. He states that overall the department has \$13,107.92 remaining. Mr. Chase asks if there are other expenses related to this department. Ms. Garrett explains that the reasons why one line is over expended and one is under expended. She states that one example is repairs to Old Mountain Road, noting that not all of the repairs are paving so those repairs cannot be allocated to the paving and reconstruction department, 43121. She adds that the repairs that are allocated to line 880 cost more than \$135,000 budgeted and also include repairs to other roads; if it is not paving the funds cannot be allocated to the paving line. Mr. Chase asks what the total amount was that was received from the state. Ms. Garrett replies that she believes that the total was between \$86,000 - \$89,000.

*Page 4 - Budget Administration*

Mr. Ruth asks about the costs of legal services for the budget committee. He states that he also notes that there are still no expenses listed for the budget committee. Mr. Holden states that the legal invoices are consolidated. Mr. Ruth requests copies of the budget committee's legal bills. Mr. Holden suggests that if the budget committee would like to request copies of the legal lines, a letter be sent to the selectmen.

Ms. Garrett explains the invoice process. She states that when an invoice comes in for multiple departments each department must sign off on their portion. She adds that the budget committee does not have a specific line for legal expenses, therefore, no money can be appropriated separately. All costs associated for legal services for the budget committee have been appropriated to the regular legal line.

Mr. Chase asks if funds were incurred for legal services for the budget committee, can the funds be identified. Ms. Garrett replies yes.

**Mr. Chase makes a motion, second by Mr. Ryan, for the budget committee to write a letter and send it to the selectmen requesting an accounting of the budget committee's legal fees for 2012 and going forward.  
Motion passes unanimously by roll call; 10-0.**

Ms. Garrett states that separate invoices were received for 2012.

Ms. Dole will draft the letter.

Mr. Holden suggests that next year a new line be created for legal services for the budget committee.

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

*Audit Schedule*

Mr. Ruth asks about the town's audit schedule. Ms. Garrett replies that the auditors will be here the week after the deliberative session. She notes that this is two months earlier than prior years.

Mr. Ruth suggests that the budget begin in May or June. Ms. Dole explains the dates which follow SB2. Ms. Garrett adds that there is no way to begin in May as the town is based on a calendar year due to the timing to close all of the books. She notes that the town begins the budget process in July. She adds that there would be no final numbers for the committee to act on. Mr. Ruth states that he was trying to alleviate some of the pressure around the holidays.

Mr. Vaillancourt states that the budget process is dysfunctional. He states that to be more functional requires the budget to be provided in electronic forms, provided 365 days per year. He states that the crunch is created by the committee due to the fact that the necessary data is not provided. He states that the town should provide estimated expenditures for November and December. Mr. Holden states that there are many variables involved. Mr. Vaillancourt agrees, for both entities. He states that the town and school could try to figure out what the figures are based on, in prior years. Mr. Holden states that the town is fairly consistent in how the budget works out at the end of the year. Mr. Vaillancourt states that the budget is designed to buy down the tax rate every year and it is very consistent.

Discussion ensues regarding the default budget and using that information for future budgets. Mr. Vaillancourt states that both governing bodies have a responsibility to reflect what will be spent or be used for future expenditures. He suggests providing a budget that reflects changes. Mr. Chase states that if there is a default budget and once a number is voted on by the voters, then the selectmen would show what would be changed and where the funds would be allocated.

*Vehicle Repair Lines/660*

Mr. Chase references the vehicle repair lines for the police and fire departments. He asks if either department has provided additional information relative to the expenditures for repairs as the repair lines are both over expended. Mr. Holden states that throughout the year there have been discussions held at the selectmen's meetings. He states that relative to the police department, the department is not buying new cruisers and it costs more to repair the older cruisers.

Mr. Holden states that with the fire department, the reason is mainly the lack of diligence in getting the preventative maintenance completed. He adds that the

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

department is now caught up with the preventative maintenance repairs that should have been done and were not.

Ms. Garrett states that these expenses are accumulative over the year. She notes that the biggest expense was January 3, 3012. Mr. Difeo states that the scheduling did not work out so that the repair could have been done in 2011. Mr. Vaillancourt states that line 42112/660 has been reduced this year by \$12,000 due to the proposed multi-vehicle cruiser lease, which was added into the budget. He adds that the gas line, 635, was also reduced by \$3,000 in order to offset the expense of the lease.

*Revenue*

Mr. Vaillancourt states that the revenue report is not provided. He feels that the quarterly reports should contain both revenue and expense reports. Mr. Holden suggests that Ms. Dole email that request to Mr. Lemire.

*Rooms & Meals Tax*

Mr. Vaillancourt states that the most recent report does not show the Rooms and Meals Tax. Ms. Garrett states that the wire did not post to the account until January 2, 2013; therefore there is no rooms and meals for 2012 as it posted in 2013, which is why the line in the revenue shows \$0. Mr. Vaillancourt asks what the timing usually is. Ms. Garrett replies that this is usually received around December 29. Mr. Vaillancourt states that there could be two rooms and meals tax revenue deposits in 2013. Ms. Garrett replies yes.

**OTHER**

*Resignation*

Mr. Holden reads a letter of resignation presented to the selectmen from Treasurer Joseph Knox. Mr. Holden states that the selectmen accepted his resignation with regret. He adds that the selectmen motioned to appoint Sandy Priolo as the new treasurer through 2014, pending research through town counsel for proper posting times. Town counsel and the Attorney General's office have determined that there is ample time to post the position on the warrant for 2013. He adds that Mr. Knox has done a wonderful job for almost 25 years and everyone in town should appreciate his efforts.

A discussion is held regarding the salary of the treasurer. Mr. Holden states that a salary study was done for this position comparing other towns that are the size of Northwood. He states the average salary was \$5,000. Ms. Dole states that the salary for Northwood is \$10,000.

*Mr. Ryan left at 8:50 p.m.*

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

**SCHOOL**

School Board representative David Ruth refers to the revenue report and states that the school is six months through their budget. He states the business administrator has provided a report showing the school budget is right on track. Ms. Dole states that she has a new worksheet that was distributed at the last school board meeting. The worksheet is passed around for review. Ms. Dole states that the worksheet's format may be easier to understand by the committee. She asks Mr. Ruth to ask the school board if this worksheet could be a tool used by the budget committee either in place of or in addition to their report. Mr. Ruth states that this document was only recently provided to the school board and he believes that the school board will be having that discussion. He feels that this is much easier to understand.

Further discussion continues regarding the types of formatting of budget materials and what should be available to the committee members as well as security issues with formats.

Mr. Vaillancourt asks when the school's retirement rate changes. Mr. Ruth states that he believes the rate changes in July. He adds that whenever the new rate changes, adjustments need to be made, and he does not believe the new rate will begin prior to July.

Mr. Chase refers to the monthly enrollment form provided by Coe Brown Northwood Academy. A discussion is held relative to the coding noted on the form. Ms. Dole states that the budget committee does not need to know the reasons why the enrollment has changed; the committee is only concerned with the fact that the numbers have changed from month to month.

*PowerPoint Information*

Copies of the proposed PowerPoint presentations for the town and school budgets are distributed and reviewed. Mr. Vaillancourt provides an overview of each of the slides.

General discussion is held as the committee reviews the slides. Mr. Vaillancourt states that DRA requirements are very specific and only allow certain wording to be included in the warrant articles. He states that he was going to make it known that there are certain items that are not able to be included in the warrant articles; and that the budget committee had lengthy discussions regarding the retirement and collective bargaining agreements.

**OTHER BUSINESS**

The MS forms are signed by budget committee members.

**Town of Northwood  
Budget Committee Minutes  
January 23, 2013**

Mr. Jandebaur announces that there will be a candidate's night this year, at the town hall, February 27, 2013 at 7:00 p.m.

Ms. Dole states that there are six open positions for the budget committee.

Next meeting is scheduled for April 30 at 7:00 p.m.

Mr. Holden states that he would like to thank Ms. Dole for her chair duties during the budget season.

**Adjournment**

**Mr. Holden makes a motion, second by Ms. Sears, to adjourn. Motion passes unanimously at 9:45 p.m.**

Respectfully submitted,

Lisa Fellows-Weaver  
Board Secretary