

**Town of Northwood
Budget Committee Minutes
April 30, 2013**

Chair Ginger Dole calls the meeting to order at 7:02 p.m.

PRESENT: Chair Ginger Dole, Vice-Chair Betsy Colburn, Selectmen Representative James Hadley, School Board Representative Dave Ruth, Water District Representative John Jacobsmeyer, Northwood Cove Village District Representative James Vaillancourt, Nikki Roy, Herb Johnson, Hal Kreider, Bunny Behm, Bonnie Sears, Lois Nichols, James Ryan, and Board Administrator Linda Smith.

ABSENT: Excused: Dan McNally and Keith McGuigan; Not Excused: Thomas Chase

TOWN REPRESENTATIVE:
Finance Administrator Sandy Garrett

SCHOOL BOARD MEMBER:
Timothy Jandebour

MINUTES:

December 1, 2012 and December 5, 2012

Motion is made by Herb Johnson, second by Betsy Colburn, to accept the minutes of December 1, as amended, and December 5, 2012, as written.

As amended as follows:

12/1/12 ~ Page 1: Add: ...for Northwood.

Vote: 9/0/4. *Abstaining: Hal Kreider, Bunny Behm, Nikki Roy and James Hadley.*

December 12, 2012 and December 18, 2012

Motion is made by Herb Johnson, second by Bonnie Sears, to accept the minutes of December 12 and December 18, 2012, as amended.

As amended as follows:

12/12/12 ~ Page 1: Delete: ...the..

12/18/12 ~ Page 1: spelling correction

Vote: 9/0/4. *Abstaining: Hal Kreider, Bunny Behm, Nikki Roy and James Hadley.*

Motion is made by Herb Johnson, second by James Ryan, to accept the minutes of January 7, 2013, as written. Vote: 9/0/4. *Abstaining: Hal Kreider, Bunny Behm, Nikki Roy and James Hadley.*

Motion is made by Herb Johnson, second by Lois Nichols, to accept the minutes of January 9, 2013, as amended, as follows:

Page 2: Add: ...amount...

Page 4: Delete: ...you raise...

Page 13: Add: ...figures...

Vote: 9/0/4. *Abstaining: Hal Kreider, Bunny Behm, Nikki Roy and James Hadley.*

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Motion is made by Herb Johnson, second by Betsy Colburn, to accept the minutes of January 10, 2013, as amended, as follows:

Page 10: typo

Vote: 9/0/4. *Abstaining: Hal Kreider, Bunny Behm, Nikki Roy and James Hadley.*

Motion is made by Herb Johnson, second by James Ryan, to accept the minutes of January 23, 2013, as written. Vote: 8/0/6. *Abstaining: Betsy Colburn, Hal Kreider, Bunny Behm, Nikki Roy and James Hadley.*

ELECTION OF OFFICERS

Chair

Herb Johnson makes a motion, second by James Hadley, to nominate Ginger Dole to serve as chairman for the coming year. Hearing no other nominations, the vote is called. **Vote: 12/0/1.** Ms. Dole abstains.

Herb Johnson makes a motion, second by Bonnie Sears, to nominate Betsy Colburn to serve as vice-chairman for the coming year. Hearing no other nominations, the vote is called. **Vote: 12/0/1.** Ms. Colburn abstains.

Coveway Village District

Jim Vaillancourt, district representative, explains that there are no funds at this time. He provides an overview of the creation of the Village District including the boundaries. He explains the warrant articles including the general housekeeping articles, all of which have been provided to the Department of Revenue Administration (DRA). DRA will set the tax rate in the fall when the tax rate is set for the Town of Northwood. He states that the town is required to give the district \$8,600 by the end of the year. He notes that the district was looking for cash flow and wanted to receive half of the funds by June 15 with the remaining by December 15. He states that the selectmen voted to provide the two payments; however, he is not sure if this will be the case.

Further discussion ensues as Mr. Vaillancourt explains that the roads are owned by the association. This means that no work can be done to the roads until the district owns the roads. He states that the commissioners are discussing the option of applying for a Tax Anticipation Note (TAN). He states that the district does not have any funds, has not raised any funds, and has not spent any funds; therefore, there is no report.

First Quarter Town

Mr. Hadley explains that the town is on track for the first quarter. He provides an overview of various lines throughout the budget.

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Page 1

Mr. Hadley refers to line 41309/330-Contracted Services and lists numerous contracts for the executive office that are included within this line.

Page 4

Mr. Hadley states that the Trustees of Trust Funds Contracted Services line, last year's cost included services for a bookkeeper.

Page 5

Mr. Hadley notes that there has been an increase in the town's insurance, 41961.

Page 6

Mr. Hadley refers to the police department, and explains the special duty account will be over as the special fund was not approved until March.

Page 7

Mr. Hadley mentions the repair line in the police department and explains that a cruiser was in an accident and the insurance did not cover the total replacement costs; this is unanticipated expense. Additional discussion is held regarding the repair and lease/purchase lines.

Mr. Hadley notes that also included within the budget is the cost for the lease of the cruisers. He states that the cruisers have been ordered.

Page 10

Mr. Hadley refers to Department 43125/Snow and Ice Control and states that the contracted services line took a very heavy hit within the first quarter as did sand. Ms. Dole asks if there is any sand left. Mr. Hadley states that he does not know.

Mr. Hadley refers to Street Lighting and explains the locations of the lights. He states that the state is looking to turn off unnecessary street lights. Mr. Hadley notes that the selectmen have voted to switch electric services, creating a savings of 24%.

Page 13

Mr. Hadley states that with the library, line 113 - staff substitute, an employee changed their status from a substitute to an aide. This will be corrected on the next report.

Mr. Kreider asks for the budget to be provided in an electronic format. Ms. Garrett will provide the file to the administrator. Mr. Kreider states that he likes the school format using anticipated column and would like to see anticipated spending. Further discussion is held regarding examples of anticipating spending.

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Ms. Garrett explains the purchase order policy and encumbrances, regular expenses.

Mr. Vaillancourt states that an example is the fire chief as he does not know how many fires there will be and how much gear they may need, which is why funds were not spent until the end of the year. Further discussion on how the different columns of the budget may be used to better understand projected costs.

Mr. Ruth asks about the cash flow from the town to the school board as the school board will be affected. Mr. Hadley explains that the selectmen have requested that the treasurer provide a report; that report shows that there is \$422,000 less available than this time last year.

Mr. Ruth notes that a prior request was made by Mr. Chase for a total cost of the legal fees for the budget committee from last year. Ms. Dole states that she has received the report and that total amount is \$2,973.93. Mr. Ruth states that the school's cost was \$2,950 for legal fees related to the budget committee.

Ms. Dole asks about the heating lines, oil and propane tanks, and asks if the tanks were all topped off at the end of the year. Mr. Hadley states that the report shows through April 18 and he is not sure as to the latest deliveries.

Ms. Dole asks about the maintenance and repairs for the highway department. Mr. Hadley states that \$7,678 has been reclassified to a different account line and will be corrected in the next statement.

Revenue Report

Mr. Vaillancourt asks about the rooms and meals tax for 2012. Ms. Garrett explains that the funds were received January 2, 2013. She explains that the revenue is recognized when it is earned not received. The auditors do a journal entry at year end to move that revenue to the prior period. She adds that the final revenue report is not final until the final audit is completed.

Mr. Hadley refers to the Highway Block Grant, in the amount of \$89,795. He explains that this is less in 2012 than other recent years; however, there is a bill in place that is being considered to increase the amount, and if the bill passes it will take effect July 2013.

Mr. Hadley refers to the Special Duty revenue and notes the increase listed is for 2013 so far in the amount of \$13,237. He states that the police commission recently voted to increase the per hour charge for the officer for special duty.

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Third Quarter School District

Mr. Ruth, school board representative, explains the materials provided and provides an overview. He explains that the third quarter is very close; however, the school board expects to have a surplus of \$10,000. He states that there has been a freeze put in place. He notes that one secretary position has been eliminated.

Ms. Behm asks how to tell what lines have been overspent. Mr. Ruth states that the business administrator and/or principal provide a monthly report indicating what funds have been or will need to be transferred to lines. He adds that this format is what the auditors want. Mr. Ruth provides an explanation of the control that is put on so that a line cannot be overspent and discussion ensues regarding transferring funds.

Page 11

Mr. Hadley asks about the SAU Expenses and if additional funds were added as the townspeople did not approve any addition to this section. Mr. Ruth states that he will check on this, and report back.

Mr. Jandebour states that Mr. Markiewicz is now required to have the column showing actual expenditures back into the expenditure report. That line will be shown in the report when the next report is provided. He adds that the school board can also look at Mr. Markiewicz's transfer of funds into different lines.

Page 16

Mr. Hadley asks about a transfer of funds into the transfer to food service. He states that he does not remember voting on this item in a warrant article. Mr. Ruth states that this is a change. Mr. Ruth suggests that questions be asked ahead of time in order to provide answers at the meeting. Further discussion ensues as to why the SAU representative is not present. Mr. Ruth states that he will not answer accounting questions.

Mr. Vaillancourt refers to the health insurance lines throughout the budget and asks why the decrease. Mr. Ruth replies that there have been personnel changes.

Mr. Kreider states that he would like to have the materials in electronic files. Additional discussion is held regarding locked-down pdf files and electronic documents. After discussion Mr. Kreider withdraws his request.

Ms. Dole states that she is curious about science and social studies supplies and what was not purchased. Mr. Ruth states that this was a recommendation of the principal.

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Ms. Dole asks what was purchased for technology. Mr. Ruth states that there were purchases made over the year and were recommended by the IT person and the principal. Further discussion is held regarding the Heating Plant Maintenance, which was originally reduced. Mr. Ruth indicates that they ended up needing the funds for repairs.

Page 15

Ms. Dole asks about Special Education-out of district placement and transportation. A discussion is held regarding the dates of the report and the difference in amounts. Mr. Ruth states that the report was reviewed April 1. Ms. Dole states that there appears to be a difference with the Spec. Ed. Transportation. Mr. Ruth states that this includes all of the special ed. students and not just the out of district placements.

Ms. Behm asks about the monthly enrollment and notes that she has a concern about the use of the term "Middle School" on any document as we do not have this; it requires particular criteria which we do not have, this is a K-8 elementary school.

Mr. Kreider asks about fiscal year and the school year. Mr. Ruth explains that the fiscal year begins July 1 for year 2014. Mr. Kreider asks what school building aid is. Mr. Ruth states that Spec. Ed is for special ed students that meet certain requirements; the funds are not for the current year, it is based on previous year students. Additional discussion is held regarding Catastrophic Aid, which is received by and dispersed by the state.

Ms. Roy asks what revenue is from other local services. Mr. Ruth states that this is rent from the SAU for the pre-school program located at Northwood School.

Mr. Hadley states that the last audit shows some deficiencies with the SAU. He states that the management letter indicated that time sheets were not accurate for grants and proper labeling of the work for the grants. Mr. Ruth states that the audit is being followed.

Mr. Hadley states that one law suit is closed and he notes that another is just beginning. He asks if Northwood will be affected by costs. Mr. Ruth replies no, as the cost will be covered by insurance.

In addition, Mr. Hadley states that the school board agreed to have Mr. Jandebour write a plea to the Superior Court for a special election regarding the teacher retirement buy-out.

A recess is taken at 8:50 p.m. Session resumes at 9:00 p.m.

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Mr. Jandebour provides the committee with a petition requesting for an emergency meeting of Northwood School District. He states that the school board is trying to see if a group of teachers are interested in retiring and how this could be facilitated. He adds that the school board has granted Mr. Jandebour the authority to proceed with petitioning the court for a special district meeting. He states that there are six teachers that are interested in retiring. He explains that the process is that the school board must first go to DRA, then petition the courts. He explains that teachers on the top of their pay scale would be replaced by teachers lower on the pay scale; the savings would be substantial within 2-5 years.

Ms. Colburn asks if this will be coming back to the budget committee for a vote. Mr. Jandebour states that he will do whatever is needed in order to obtain the court's approval. Discussion ensues as to the process and what the actual request is that is being addressed.

Ms. Behm makes a motion, second by Mr. Johnson, to state that the Northwood Budget Committee is not opposed for the Northwood School District petitioning Rockingham County Superior Court for an emergency meeting of the Northwood School District. VOTE: 12/1. Mr. Hadley abstains.

Memo was created and signed on April 30, 2013, after the meeting. Mr. Jandebour was to pick up at the town hall the next day.

PUBLIC HEARING ~ WATER DISTRICT

Water District Commissioner John Jacobsmeyer is present and provides members copies of the water district's proposed budget and draft warrant articles. He explains that the first two pages of the budget show the water district's actual expenditure items; the third sheet shows the water districts revenues. The district's assets are noted on the last page.

VOTING DESIGNATION

Ginger Dole, Betsy Colburn, Nikki Roy, Bonnie Sears, Bunny Behm, Lois Nichols, Dave Ruth, Hal Kreider, Jake Jacobsmeyer, and Jim Vaillancourt.

Water District Warrant Articles

Article 4. \$14,442. General District Expenses

Ms. Behm makes a motion, second by Ms. Colburn, to recommend Article 4, as written, in the amount of \$14,442. Motion prevails unanimously; 10/0.

Article 5. \$1,000. Water District Expendable Trust for Major Repairs.

Ms. Behm makes a motion, second by Ms. Colburn, to recommend Article 5, as written, in the amount of \$1,000. Motion prevails unanimously; 10/0.

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Article 6. \$10,978.51. Water District Capital Reserve for System Enhancement. Ms. Behm makes a motion, second by Ms. Colburn, to recommend Article 6, in the amount of \$10,978.51. Motion prevails unanimously; 10/0.

Ms. Dole closes the work session and opens the public hearing for the Village of Northwood Ridge Water District for the 2013 budget at 9:24 p.m. With no public present and no comments, the public hearing closed at 9:25 p.m.

The necessary forms are distributed and signed by members.

Internal Business

Next meeting

The committee agrees to meet Tuesday, July 30, 2013 at 7 p.m.

Correspondence

Ms. Dole reads a memo sent by the town planner, which requests a budget committee member to become an ex-officio member to be appointed on an annual basis to the economic development committee.

With no volunteers, Ms. Dole will serve in this capacity.

Adjournment

Bunny Behm makes a motion, second by Ms. Colburn, to adjourn. Motion passes unanimously at 9:50 p.m.

Respectfully submitted,

Lisa Fellows-Weaver
Board Secretary