

**Town of Northwood
Budget Committee Minutes
July 10, 2013**

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

PRESENT: Chair Ginger Dole, School Board Representative Timothy Jandebeur, Daniel McNally, Nicole Roy, Keith McGuigan, Bunny Behm, Lois Nichols, James Ryan, Hal Kreider, James Vaillancourt, Thomas Chase, Herb Johnson, Board Administrator Linda Smith, and Board Secretary Lisa Fellows-Weaver. Bonnie Sears arrives at 7:10 p.m. Water District Representative John Jacobsmeyer arrives at 7:13 p.m.

ABSENT: Excused: Vice Chair Betsy Colburn, and Selectmen Representative James Hadley.

PUBLIC PRESENT:

Joseph McCaffrey, Joann Folan, School Board Member Dave Ruth, and others.

PUBLIC HEARING:

Ms. Dole explains that the purpose for the meeting tonight is to hold a public hearing to consider the cost item included in a negotiated agreement between the Northwood School Board and the Northwood Teacher's Association for a one-time change in retirement benefits that will result in changes to the cost of benefits at current staffing levels.

Ms. Dole opens the public hearing at 7:05 p.m.

Mr. Jandebeur provides copies of a current budget for information purposes only.

Mr. Jandebeur states that on July 1 a new superintendent was hired, Mr. Robert Gadomski or "Dr. Bob", and also a new special education superintendent, Scott Rooney. Mr. Jandebeur states that he is excited for these new employees to be in Northwood. He notes that a person was offered the position for the business administrator; however, the position was turned down due to personal changes that had occurred. He adds that the application process is ongoing at this time.

Mr. Jandebeur announces that there will be a joint school board meeting on July 22 to discuss whether or not to consider a special education audit for the district.

Mr. Jandebeur explains Article 1. He states that the first year there is not much savings due to the fact that the teachers' contracts include up to 55 days of their unused sick time to be paid to them at a rate of \$90 per day should they retire. If approved by the town, the total is approximately \$40,000, which would need to be paid out eventually. In addition, Mr. Jandebeur explains that

Official as of July 30, 2013

**Town of Northwood
Budget Committee Minutes
July 10, 2013**

another issue is insurance. He notes the plan options and states that there is a decrease in use of family plans.

Mr. Jandebaur explains that the amount of money to be raised is a “moving target” due to the fact that a teacher was out for a lengthy amount of time using accrued sick time.

Mr. Jacobsmeyer arrives at 7:10 p.m.

Ms. Sears arrives at 7:13 p.m.

Mr. Jandebaur states that there are six teachers that have signed up for this program. He states that some of the teachers have been here for 30+ years; the average is 28 years. He states that the biggest issue, in the negative, is that it appears that we are buying the teachers into retirement. He states that the school board has offered the teachers one year of pay to be paid out over the course of five years so the teachers get 20% of their annual pay for 5 years. This will allow a group of teachers to retire and allow for new, younger teachers to be hired. Mr. Jandebaur states that there has been an agreement made by the school board with Mr. Hartford that the new teachers can only be hired within a certain pay scale.

Mr. Jandebaur states that there is still a need for the seasoned teachers but he feels that there needs to be a balance of teachers (in terms of longevity). He states that there are a number of teachers that are maxed out on their pay scale and the less expensive teachers will allow the school to save some money. He feels that there will be a savings of \$200,000 per year and this will also allow an opportunity to improve the school.

Ms. Dole asks for any public comments.

Mr. McCaffrey asks if there will be another public portion after the committee’s discussions to allow the public to comment on the budget committee’s discussions. Ms. Dole replies that typically the committee enters into a work session and does their work; the next opportunity for the public to speak would be at the deliberative session. Mr. McCaffrey states that he would like to request that the committee allow an additional opportunity for the public to speak to follow up on the committee’s comments and concerns that were expressed in the work session discussions.

Mr. McCaffrey asks about savings and salaries. Mr. Jandebaur states that the process of determining the costs for the warrant article was done through the Department of Revenue Administration (DRA). He states that with the worst case scenario six teachers would be leaving and six new teachers come in and all new teachers need full family benefits; in this case the savings would be

Official as of July 30, 2013

**Town of Northwood
Budget Committee Minutes
July 10, 2013**

approximately between \$10,000-\$30,000. He states that in future years the unused sick time has been bought out and is not reflected in the cost. He states that this is the difference between the first year and the other four years. He adds that there are many options available to the school board which will allow the school board to save money and educate the students, especially the regular education.

Mr. McCaffrey asks what the estimated impact will be. Mr. Jandebaur states that the warrant article is not asking to appropriate more money. Lengthy discussion is held. Mr. Jandebaur states that the estimate would be \$19,000 for insurance, per new teacher, for a family plan. He states that there will still be a savings.

With no further comment, Ms. Dole closes the public hearing at 7:33 p.m.

Mr. McNally makes a motion, second by Mr. Johnson, to recommend Art. 1, as written.

Ms. Behm asks about the figures as they do not balance. Mr. Jandebaur states that the figures are now correct. He states that the reason why the figures do not match is due to the fact that there was one teacher out for a lengthy amount of time using accrued sick time.

Mr. McGuigan states that the difference in savings from year one to year two is the sum of the buyback time and retirement bonus of \$35,000; however, the bill indicates \$45,000. Mr. Jandebaur states that \$45,000 is accurate and that was what he was mentioning as one of the moving targets; the number had to keep being adjusting due to that one teacher being out most of the last part of the year. He states that a figure was needed in order to present at the court date.

Ms. Behm asks why the budget committee must vote on this at this time as no funds are being appropriated. Mr. Jandebaur replies that from the beginning of this idea he did not feel that there was a need to go to court. He states that the lawyers stated that going to court was the process; however, the lawyers had made an error and yet the court date had been filed. He continues and explains that the Department of Education (DEO) indicated that the school board did not need to go to court; however, DRA and the NHLGC both felt they did need to go to court for a special district meeting. Therefore, the school board erred on the side of caution and went to court. He states that the special meeting was approved and there is one person who has requested the judge reconsider. He feels that this matter should just go before the voters. He states that this has been a very confusing issue since the beginning; however, he feels that this is the right thing to do and he will see this through. He adds that he believes that this will solve many issues.

Official as of July 30, 2013

**Town of Northwood
Budget Committee Minutes
July 10, 2013**

Mr. Kreider asks if DRA was involved with coming up with the new numbers. Mr. Jandebeur states that the business administrator provided the figures. Mr. Kreider asks if the new teachers will be hired at the top of the step and grade. Mr. Jandebeur replies that the new teachers would be hired at the lower end of the step and grade. Mr. Kreider states that it appears that the savings are the same each year and it implies that they do not receive a step increase. Mr. Jandebeur states that new teachers would receive a step increase as well as the other teachers that are still employed, and if a contract were approved. Mr. Jandebeur states that the figures needed to be done for the court date.

Discussion ensues regarding additional savings and the fact that there will be differences with insurance, as well as the fact that not all of the new teachers would be hired at the maximum of \$40,000 per year. He reiterates that it was necessary to have figures to present to the court. In addition, Mr. Jandebeur comments that he feels that there will be a higher savings than what is noted.

Mr. Jandebeur notes that this is a one-time deal and a one-time offer. He states that it is clear and concise that the offer is a one-time deal. He states that July 1 was the deadline for the offer and six teachers have indicated an interest. Mr. Jandebeur states that this is a contract; the purpose tonight is to get a vote to an addendum to the contract. He notes that the contract is in status quo and the old contract is in effect.

Mr. Kreider asks if this contract is setting precedence. Mr. Jandebeur states that there is no precedence in negotiations. He states that he has suggested that the school board begin to look at the teachers' contract sooner rather than in November.

Mr. Ryan asks if anything has been done in any other school systems in NH. Mr. Jandebeur replies yes; Oyster River, and Concord, and the contract was turned down by the town.

A discussion is held regarding years in service, age, and retirement age. Mr. Jandebeur states that the school board is not considering this contract as a RIFT. Mr. Kreider states that he is still concerned with setting a precedent.

Mr. Jandebeur states that the union has been incredible with help and information in this process.

Mr. Jacobmeyer expresses concern with the lowering of the experience level of the teachers. Mr. Jandebeur agrees; however, there will still be more teachers in the school that are eligible for retirement than what is going out of the school. He states that this will be a positive way to create funds for regular education.

Official as of July 30, 2013

**Town of Northwood
Budget Committee Minutes
July 10, 2013**

Ms. Sears states that the new teachers coming in to the school will have energy and are enthusiastic to work with the kids. She feels that this is a wonderful idea and a great way to have new young experience and energy in the school.

Mr. Vaillancourt states that this contract could potentially pass this year. He asks if the school board is ready to implement this plan in the 2013/2014 school year. Mr. Jandebour states that it will be difficult but they are working to begin in September. He explains that by going to court the process was delayed; however, the school board decided to err on the side of caution and he feels confident that with the support staff that is employed this process will get done. Mr. Vaillancourt asks if the plan cannot be implemented then there would be no reason for the hearing as this could then be included within next year's budget. Mr. Jandebour states that the school board will begin hiring as soon as possible.

Mr. Jandebour states that he has asked the court to have the election 9 days short of the requirement, 9 days short of 28 days, which will still allow ample time to post, yet timing is critical. Mr. Vaillancourt states that it would be detrimental if this plan is not implemented by the end of 2013 as it could be included in the budget. He adds that the numbers provided on the analysis do not match the figures in the warrant article. Mr. Jandebour states that he will do his best to have these figures available for the deliberative session.

Ms. Behm asks if this is really worth it. She explains that the six teachers would be retiring within the next two to three years. Mr. Jandebour states that only four of the six teachers have signed, which is part of the problem with the figures.

Ms. Behm states that this is only a one-time thing and if voted on and passed it must be implemented as it is stated in the contract. She states that she is concerned with the risk that this will continue to be a negotiated item. Mr. Jandebour states that there is really no down side to anyone, especially the students.

Mr. Ryan asks how the funding is being considered. Mr. Jandebour states that the funding will need to be included in the budget. Mr. Ryan asks if the funds are being encumbered. Mr. Vaillancourt explains that this is a multi-year contract and is similar to the regular contracts that the town addresses.

Mr. Chase thanks Mr. Jandebour for his hard work with this process. He states that this is a smart and useful way to diffuse this. He does not believe that there should be any concerns relative to setting precedence. Ms. Behm states that this issue will come up again and when it is addressed a new decision will be made.

Official as of July 30, 2013

**Town of Northwood
Budget Committee Minutes
July 10, 2013**

Mr. Johnson calls to move the question. Ms. Sears seconds. Motion passes unanimously; 14/0.

VOTE: Article 1

YES: BS, DM, NR, KM, BB, LN, JR, TJ, JV, TC, HJ, GD.

NO: JJ, HK.

Motion passes; 12/2.

OTHER BUSINESS:

Ms. Dole reminds the committee of the quarterly meeting, July 30. She states that the information typically received from the school and town is as follows:

- Up to date financial statement
- Revenue
- Up to date enrollment

Mr. Kreider requests the budgets be provided in electronic formats. Mr. Jandebaur states that he will add this to the school board agenda. Discussion ensues.

Ms. Dole notes that members have been provided with copies of the board procedures as well as an updated copy of the members list.

Adjournment

Mr. Johnson makes a motion, second by Mr. Chase, to adjourn. Motion passes unanimously at 8:25 p.m.

Respectfully submitted,

Lisa Fellows-Weaver
Board Secretary