



# Warner Budget Committee

Meeting Minutes  
Thursday, October 26, 2017  
**APPROVED**

Mike Cutting opened the meeting at 7:01 pm.

Committee members in attendance: Mike Cutting, Martha Mical, Kimberley Edelmann, David Minton, Jonathan Lord, Alfred Hanson, Pete Newman

Absent: Martha Bodnarik

Others present: Faith Minton, Ken Bartholomew (School Board Members), School Superintendent Winfried Feneberg, Peter Anderson (Municipal Budget Committee) and Larry LeBoeuf (School Business Administrator), John Leavitt

## **1. Minutes**

- A. Mike said the October 19 minutes were made available today and asked if the Committee if they would like to table approval.
- B. Alfred moved to delay approving the October 19 minutes. Jonathan seconded the motion, motion passed unanimously.

## **2. November 2 Meeting**

- A. The Budget Committee will meet with the Cemetery Trustee's and the Trustee's of the Trust Funds.

## **3. Kearsarge Regional School District**

- A. Ken passed out the School Board budget that will be presented to the Municipal Budget Committee.
- B. Winfried said the school, as an administrative team, tries to ask the communities, the School Board, Municipal Budget Committee what they need and if it's too much we look at how do it in a more reasonable fashion. He's trying to avoid spikes. The school budget is about 75% personnel costs, there are 7 schools to protect in the district which is the biggest asset. The staff is looking out at the next 6 years at the needs and priorities.
- C. The school budget increase is 1.8% over last year. The goal is to take an active stand to not go for minimum standards, shoot for the middle and then some for competitive purposes. There are high performing school districts near by, being competitive is important.
- D. The district is returning the money they don't spend. Larry said \$2.3 million was returned last year.
- E. Alfred asked Winfried what is the difference between the job that you had before and the job you have now. Alfred said the reason he is asking is to broaden his thought. Winfried said he spent the majority of his career in the Timberline District, which is similar to this District. What he appreciates in this School District is the positive spirit and support and the commitment to the students. Faith said she is in awe of everything she is learning on the School Board and she echoes what Winfried said, positive energy. Winfried offered the Budget Committee to come and visit any time.
- F. Ken said one of his concerns a couple of years ago when he became Chair of the School Board was all the turn over that was happening. But the employee turn over created new and different opportunities with fresh eyes.

- G. Jonathan asked from the \$2.3 million refund how much is Warner's and how is that tracked. Peter Anderson said it was \$352,000 credit towards next year. Jonathan asked what the cost is per student from Warner. Larry said per pupil for the High School is \$19K, Middle and Elementary are some what cheaper.
- H. Mike asked what is the college acceptance at KRSD. Winfried said 80% that go to two and four year colleges that are accepted and attend.
- I. Alfred asked what about the trade industry. Winfried said we have a close collaboration with the career and technical center in Concord. There are over 50 students from Kearsarge in the trades and certificate programs. Alfred asked why the trades are not being taught at the High School. Winfried said we have some technical courses, we are actively looking to beef it up. Years ago the state decided not to support the individual High School and the technical programs but to create 20 career and technical centers in the state.
- J. John Leavitt has a concern for students that are pressured to go to college that have no business going to college in the first place. You have to have good adviser's that understand where each student fits.
- K. David asked if the teacher turn over is high, how competitive are the salaries and what is the average increase in salary per year. Winfried said the turn over rate is regular, some years you may have some retire. The School Board, long before Winfried got there, established to be at the 65th percentile of surrounding towns and competition. Salaries are based on experience and degree, an increase could go from .9 to 4%. Jonathan said the average salary is \$59,782. Winfried said about 72% of the teachers have advanced degrees. Winfried explained the outside employee evaluation process. John Leavitt said the outside evaluator protects the administration from being ridiculed for favoritism.
- L. Kimberley asked if there are apprenticeships. Winfried said at the High School they have created a program with Dartmouth Hitchcock, included is 10 visits to the hospital for exposure. After graduation they have an entry point into Dartmouth where they can explore a whole arrange of careers. This program is separate from the community colleges.
- M. Ken completed a presentation of the budget that will be presented to the Municipal Budget Committee.  
Highlights:
- The majority of the budget increases fall into 2 categories, contractual teacher obligations and health insurance costs. These two items account for \$634,000.
  - Remaining 15% covers all other operating expenses.
  - Mike asked what the projection is in 5 years for the student population. Winfried said flat to slightly up for some schools.
  - School Resource Officer has been removed from the budget because the position is not filled. The position is still needed but needs the right person.
  - Martha asked what is the employee contribution towards health insurance. Ken said in the contract, they switched to the school care plan that is a consumer driven health plan. The employee has a larger deductible and contributes 5%. Dental is paid 100% by the District unless the teachers choose a higher plan which they would pay the difference.
  - The overall increase to the budget is 1.84%.
- N. Martha thanked Larry for getting the information from the school into the Department of Revenue in a timely fashion so that the town could move forward with setting the tax rate as soon as the town submitted their information. The Committee thanked the District for attending.

#### **4. Meeting Schedule**

- A. Capital Improvements Plan presentation will take place on November 2<sup>nd</sup>.
- B. At the November 2<sup>nd</sup> meeting the Committee will be meeting with the Trustee's of the Trust Funds and the Cemetery Trustee's. The TTF has been asked to bring in documentation on all of the accounts. Alfred asked what will be the questions for the Trustee's of the Trust Funds. Martha said we will be looking for the accounts they handle, what the balances are, how are they handling the accounts. Mike added do they even

know what these accounts are. He said there was a problem last year. Alfred asked if they have a procedure, he said he's been asking about that for the last 3 years. Mike said there are two separate issues, first you have the funds. The procedure that should be followed when requesting funds from the TTF's and the accountability of that. Mike said he asked Jim to bring the binder that tracks the accounts to the meeting next week. Alfred said we want to make sure the money is being used for what the trust was created for. Kimberley said we want to know how often they do their procedure's as well. Mike said the second part is the Trustee's of Cemeteries and the question arose a couple of year's ago with them not understanding what they have for funds. Alfred doesn't understand how you could not know your balances. Mike said these are the types of questions we need to ask next week.

## **5. MS-535 for 2016**

- A. A copy of the MS-535 was provided to the Committee. Martha said on page 6 of 9, what was appropriated and what was spent shows the budget was overspent in 2016. What bothers Martha personally is the budget sheets that we have received this year, the numbers in some places are off by thousands of dollars. Martha said it's against the law to overspend the bottom line of what was appropriated. Alfred said the short fall this year will be the money from the roundabout. Martha said we (the town) have not closed out the project, so the State of NH has not paid the town what is owed but yet we are paying all the bills.

Kimberley said the Board of Selectmen have just received this report, and one of the things she said she noticed was that we seemed to have spent more than was appropriated and she asked that question. The auditor's produce the MS-535. Kimberley said there is several explanations about money that was encumbered from the prior year, and she said when she did the math and added those up she still found it was off by \$1,207. The Selectmen are still reviewing the form. Alfred is not comfortable with an audit that does so by sampling random accounts. Kimberley said this form has nothing to do with the audit. Alfred said the sampling still bothers him.

- C. Mike asked by overspending what are the ramifications. Kimberley said she is not positive the 2016 budget was overspent. Martha said in defense of the Selectmen, they were not given the MS-535 form in advance for review, it was presented to them for signatures at the Selectman's meeting.
- D. John Leavitt said the one thing the Board should be looking at is the number of capital reserve funds and he is concerned about how the capital reserve funds are being spent; the bridges and highway in particular. He said what is happening consistently is the Public Works Department will work on a bridge using their budget and then Jim will reimburse the funds and spend it somewhere else, or show a surplus at the end of the year. He said it happened with the generator at the Public Works Department. He said there is no system to prevent that from happening, technically it's legal to do. Mike said the checks and balances on that is the Selectmen either allowing it or not. John agrees the ultimate responsibility is the Selectmen, but he said he would be hard pressed to tell them not to do it. Mike said that goes back to procedure's. Mike agrees there are too many capital reserve funds, he is starting to question the control and accountability of all of these capital reserves. Martha said what bothers her is funding the road construction capital reserve and spending it in the same year, that's not the purpose of a capital reserve fund, if your going to spend it in the same year, put it in the operating budget. Alfred said a great deal of their capital reserve is their operating budget. He said the Selectmen create capital reserves to make up the difference needed in the operating budget. He said if you go back and track all the capital reserves and where it all goes, it will be astounding at what you will see. Alfred said it's time they come to us with what they actually need, and we should let them know that this year.

## **6. New Fire Station**

- A. Kimberley reported the Planning Board will be hearing a presentation by the Fire Station Architect at the next Planning Board meeting on November 6.

## **7. Adjournment**

A motion was made and seconded to adjourn at 9:17 pm.

Recorder of the minutes: Mary Whalen