

**Town of Farmington**  
*Budget Committee Minutes*  
**Thursday, November 21, 2013**  
**6:30PM**  
**Selectmen's Chambers**  
**356 Main Street**

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**MEMBERS PRESENT:**

Brian St. Onge (Chairperson), Jodi Connolly, Gail Young, Steve Henry, Gerry McCarthy, Ann Titus, Sam Cataldo, and Neil Johnson

**MEMBERS NOT PRESENT:**

Kathy King (School Board's Rep), Arthur Capello (Selectman's Rep)

**OTHERS PRESENT:**

Steve Welford (Superintendent of SAU 61)

**1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE:**

Brian called the meeting to order and led the Pledge of Allegiance at 6:04 PM.

Brian asked Mr. Welford if he had a presentation for tonight and Mr. Welford said no. He added he was here tonight because Kathy could not make it so he was just pitch hitting for her and to answer any questions the Budget Committee might have.

Brain stated that the BC needed someone to take minutes for tonight and asked Gail if she would mind. Gail stated that she do her best.

**2. REVIEW OF MINUTES:**

*Minutes for October 22, 2013*

**MOTION:** Ann motioned to approve Meeting Minutes from October 23, 2013.

**SECOND:** Jodi

**DISCUSSION:** Neil noted a correction.

**VOTE:** All in favor as amended. Motion passed.

**3. SCHOOL BUDGET FOLLOW-UP:**

Brain asked Mr. Welford if he had a copy of the minutes and added that the BC had a few questions at this meeting. The first item was on page 8 of the SAU Expenditure Report referring to a line item for the Recording Secretary which is over sent by \$9,500 with the description of Thank You Bonus. Mr. Welford said that is not completely correct and that he did not have a copy of the minutes but could explain the amount away. Mr. Welford added that there are 3 items that made up that amount. He explained that part of the amount is due to pay increases that have been approved and paid but were not included in the original salary line items for the current year's operating budget. Mr. Welford said the second item is in regards to the 6 month absence of a Business Administrator at the SAU and extra work that was required by all staff when one was finally hired. Mr. Welford said that the amounts paid to these staff members equaled \$250 to \$500 each and totaled \$5,500. He added

that he doesn't like to use the term "bonus" because that is not really what it was, and said it was more like a "stipend" and was a one-time adjustment for the required extra time and work these staff members put in once our new Business Administrator was hired. Mr. Welford said the last item was because the first pay period for fiscal year 2014 was July 3<sup>rd</sup> which included pay that was performed during the 2013 fiscal year. He added that once the 2013 audit is complete in the middle of December, he anticipates an adjustment to this account for about \$16,000.

Brain asked Steve to explain the next question since it was something he had questioned earlier. Steve asked Mr. Welford about the Food Service Report and Mr. Welford said that the SAU will be presenting a presentation to the BC that will compare the old service to the new one. He added that for some reason they have seen an increase in usage at both the HW and the high school, but not at VV. Mr. Welford stated that the Food Services group has brought in someone to take a look at how the program is functions at VV and they will be studying things such as how long the lines are, where and how the students are spending most of their time, and what choices the students are making.

Brian said that there was another questions about the General Funds Report on page 5 in the amount of \$5,500 which shows an overage for the Para's Summer Salary at HW. Mr. Welford said that he was not exactly sure what it was for and he will need to get back to the BC with an answer. Steve asked if it was for Title I summer school teachers and Mr. Welford stated no because Title I and SPED costs would be in their own lines, however he is sure that they had extra help for the Summer School program which might explain the amount. He added that we will follow up with exactly what that amount was for.

Brian said there was another question in regards to the HW Tuition - Other LEA's that is listed in the All Funds Revenue Report. Mr. Welford stated that we have one student that is tuition in from a school outside of the SAU 61 District. Jodi questioned if it was a SPED student and Mr. Welford said that it was not because this was a Regular ED student. Steve asked Mr. Welford what would cause this type of agreement and Mr. Welford said there could be a number of reasons including family hardship, court ordered, or any other individual or personal reasons. Steve then asked how is the tuition amount calculated and Mr. Welford said they calculate this type of tuition at the same rate that Middleton would pay based on grade level.

Brain told Mr. Welford that the BC had asked Joe when he was last present for the 2012 Audit Report; however they haven't seen him or the report as of yet. Mr. Welford said that the audit for 2013 is currently being done now and they have just completed the audits for 2011 & 2012 as well as both Federal audits and he will make sure the BC gets a copy.

Brain added that the BC also did not get a copy of the SAU Expenditure Report this month and added that Megan asked Laurie for it so that she could include it in the BC packet; however Megan indicated that she did not receive it. Discussion continued with the BC identifying what reports they would like to have monthly from the SAU. Mr. Welford confirmed that the BC would like the General Funds Expenditure Report, The SAU Expenditure Report, the Federal Reports, the Fund 10 (General Fund) Expenditures Year to Date Report, and All Funds Revenue Report. Brian added that Megan would need all the reports by the Thursday before the 4<sup>th</sup> Wednesday of each month.

Brian stated that at our last meeting the BC discussed the Middleton Withdrawal and Joe said Middleton was complaining about getting double charge and asked Mr. Welford to explain. Mr. Welford said that the total SAU Budget is divided by the total number of students each town has and

each town pays their portion for that budget. He added that Middleton is responsible for about 18% and Farmington the remainder of 82%. The Farmington School District then includes their portion of the SAU budget (82%) in their school's proposed budget. Mr. Welford added that in the case of Middleton, their tuition cost to Farmington is based on the Proposed Farmington School Budget which includes the Farmington's SAU portion. Middleton feels that they are getting charged twice for the SAU budget since they pay for it once in their own school budget, then again in the current tuition calculation based on the Farmington Proposed School Budget. Mr. Welford added that a few years ago prior to 2010, the tax payers voted on the SAU Budget and the Farmington School Budget separately, and that has now changed as well as a lot of other things since the AREA Agreement was signed in 1972. Mr. Welford said Middleton feels that the Farmington's portion of the SAU budget should not be included in the Proposed Farmington School Budget and therefore not included in their tuition calculation. Jodi said that Farmington must calculate our own school budget based on what we need and all the costs for operating our schools and Brian stated that he can understand both points of view. Jerry asked what is happening now and Mr. Welford said that Middleton is presenting a Withdrawal plan to the State Board of Education seeking withdrawal from the Farmington School District. He added that as it stands now, we are waiting to see what the State Board says.

Brian stated that should take care of the questions we had previously and asked if anyone else has anything to add. Jerry said that we have not yet received the tuition payment from Middleton for this year and Mr. Welford said that he doesn't think they have made their first payment yet but it should be paid by the first week in December. Steve asked for an explanation as to what the average daily membership rate is based on in the tuition calculation. Mr. Welford said that it means the number of seats that are being reserved or used for Middleton students daily whether they are actually present or not on any given day.

#### **4. REVIEW OF SCHOOL REPORTS FOR NOVEMBER 2013:**

- ***All Funds Revenue Report***

Mr. Welford stated that the Adequacy Revenue and the State Income Tax Revenue lines are down by a total of \$6,460,173. The Adequacy Revenue has dropped by about \$350,000 because it is now being calculated on the current enrollment where previously it was calculated on the enrollment from two years ago. Mr. Welford added that the State this week release new number and the State Education Tax Revenue will also go down to the new number of \$945,356.

Gail questioned what is being done now that we know that our Revenue it not going to be what we thought it would be, and asked what adjusting are being done now. Mr. Welford said that we are already tighten the belt and right now we are running in the positive; however he said he has a concern with health insurance and why we are seeing a navigate in those lines and explained how life changes effect the number. He added that there is a positive balance in the salary lines right now which will help a little to cover, as well as the fuel oil lines expenditures. Mr. Welford said that they will continue to first look for cut backs that do not affect the kids.

Discussions continue and Mr. Welford stated that enrollment will be down by 56 students for this year going into next, and there was about a drop of 100 students last year. He added that there will be a drop of 2 elementary teachers and all other items will be presented in the BC presentation next month, the overall result for this year it one more staff member. Steve asked if the increase in enrollment in Pre-K and Kindergarten had an effect on the Adequacy Revenue and Mr. Welford said that those two grades are not required, therefore they are not part of the revenue calculation.

- ***SAU Revenue Report.***

Steve asked what the Ed Jobs Revenue is on page 2, line 29, and Mr. Welford said that it has not been used since 2010 and he is guessing it may have something to do with the Federal funds for a program that was going on about then. Gail asked why the Federal Child Nutrition Revenue line was higher than anticipated and Mr. Welford explained it may just be because of the government shut down and the funds just catching up.

Brian asked if Mr. Welford could attend the BC meeting at least once every quarter and explained that it is fine to have the other school reps here, however a lot of times the BC has questions that the Rep's can't answer and are going to follow up with, but the BC sometimes doesn't see them again for a while. Mr. Welford said that if it would help clarify information that would be good for him and suggested that he also bring the Business Administrator to answer anything he could not. Mr. Welford asked Brian if he could forward to him a schedule with the dates that the BC would like for them to be present.

- ***Federal Funds Expenditure Report.***

No questions were noted.

- ***General Funds Expenditure Report.***

Steve asked about the contract services line on page 7 and Mr. Welford said that in order to off-set that expenditure, there will be a transfer out of the SPED fund for the purpose of keeping autistic students in the District. Mr. Welford stated that the current cost of out of district placement is about \$125,000 right now, and that number is on the low side and does not include transportation. He explained how they are working with the Bill White Group in working through a plan that would bring these students back into the district. Brian asked where do these kids go now and Mr. Welford stated that most go to the Monarch School and the cost is very expensive for the individualized services each student needs.

Brian questions the unemployment expenditure at the high school and Mr. Welford said that it is higher than we thought it would be because we have more people collecting than what we had anticipated when the budget was put it together. Steve asked how much of this is unemployment costs from decision the School District made and how much is from decisions others have made. Mr. Welford said that the amount looks to be about 100% based on the School's decisions. Ann asked if this amount include anyone from the food service program and Mr. Welford stated no. Jodi asked Mr. Welford to explain why the two principal salaries are over and Mr. Welford explained it was due to the same thing they had talked about earlier with the SAU staff lines for the new pay increases that were not included in the proposed budget last year.

Brian asked if the school has finalized how much the school will be returning to the town and Mr. Welford said they has just present the amount to the BOS the School District should be returning about \$1, 137,000. He added that \$167,000 will be due to the audit adjustments for 2011 & 2012 and we were also able to bring back some kids from placement. Other factor was that we had about 18 staff and teacher replacements and many were replaced with younger, less experience staff, at a lower cost. We felt if we could return funds back to the town, that might help to move along the approval of the teacher's contract, however we were not able to return as much as we would have liked due to reduction in State Aid and the fact that Middleton enrollments were down. He added that it is very

frustrating in working all year so that we can give back and then the state cuts our aid. That was a big hit for us to take and work with.

Brian asked if the Affordable Care Act is going to have an effect on us and Mr. Welford stated it will. Neil asked if we could cover that later next week when they do the school presentation and Mr. Welford added that the BC will have the School Budget books by then.

Brian stated that it was the last call on questions for school reports. No other questions were resented. Brian thanked Mr. Welford for coming in and helping to explain some of the BC questions.

**5. REVIEW OF TOWN REPORTS :**

Brian said that we have a copy of the Town Revenue Remittance Report and Ann asked if the BC could table the Town Reports until next month since there were no Town Rep's present tonight. Brian said that he thought that would be ok.

**MOTION:** Ann motioned to table the review of the Town Reports until the next regular scheduled BC meeting.

**SECOND:** Sam

**DISCUSSTION:** None

**VOTE:** Steve – opposed / all others in favor. Motion passed.

**6. OTHER:**

Brian stated that the next monthly BC meeting just happens to fall on December 25<sup>th</sup> and was wondering if the committee wanted to reschedule that meeting. The BC discussed what day would be best and decided that the School Budget presentation scheduled for Saturday Dec 7, at 9:00 would be too long of a meeting day, and best day to hold the next BC regular meeting would be December 19<sup>th</sup>.

**MOTION:** Gail motioned reschedule the next BC monthly meeting from December 25<sup>th</sup> to December 19<sup>th</sup>, at 6:30 PM.

**SECOND:** Steve

**DISCUSSTION:** None

**VOTE:** All in favor. Motion passed.

**7. ADJOURNMENT:**

**MOTION:** Jodi motion to adjourn.

**SECOND:** Ann

**DISCUSSION:** None

**VOTE:** All in favor. Motion passed.

**Committee adjourned at 7:40 PM.**

Respectfully submitted by Debra Cantwell, Recording Secretary