

Town of Farmington
Budget Committee Minutes - Town Budget Review
Saturday, January 25, 2014
9:00 AM
Selectmen's Chambers
356 Main Street

MEMBERS PRESENT:

Brian St. Onge (Chairperson), Jodi Connolly, Gail Young, Steve Henry, Gerry McCarthy, Ann Titus, Neil Johnson, Kathy King (School Board's Rep), Arthur Capello (Selectman's Rep)

MEMBERS NOT PRESENT - EXCUSED:

Sam Cataldo

OTHERS PRESENT:

Keith Trefethen (Town Administrator), Pam Merrill (Finance Administrator), Kathy Seaver (Town Clerk/Tax Collector), Kathy Menici (Planning Director), Rick Conway (Recreation Dept.), Chief Kevin Willey (Police Dept.), Chief Rich Fowler (Fire Dept.), Dale Sprague (Water & Wastewater Director), Paula Proulx (Board of Selectmen), Shanna Smith (Goodwin Library Director), and Bobbie Stroman

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE:

Brian called the meeting to order and led the Pledge of Allegiance at 9:08 AM.

2. PRESENTATION OF TOWN BUDGET:

Brian stated that the main purpose of the meeting is for the Town Administrator to present the Town Budget and give us an opportunity to ask questions.

Keith said the first document is the Municipal Operating Request spreadsheet which explains the overall review of the operating budget and tracking what the town has done since 2011. He pointed out that the tax rate for 2014 equals 6.57 without a buy down, and added that in 2013 the buy down was \$375,000 and in 2012 it was \$325,000 for a total of \$700,000. Arthur stated that this includes all warrant articles if they all pass. Keith told the Budget Committee the next item they have is the 2014 Budget Expenses by Function Report which displays last years and this year's budget and actual expenses as well as this year's requests. He added that there are representatives from each Department hear today to answer any questions you may have. Keith said the next report is the Revenue Report projections followed by the Trustees of the Trust Funds Report. He added that the Capital Reserves Funds are displayed in the second section down and you can see what has been done in the past and what funds are still available at this time. Keith said the last report is the 2014 Wage and Salary Schedule which indicates all employees and their total packages including salary and benefits.

Keith said he wanted to highlight a few items and told the Budget Committee that in today's budget, 55% of it is salary and the remaining is discretionary expenses. He added that the BOS has set aside \$20,000 for non-union salary adjustments; however the BOS has not determined how it will be used at this point and are working on outlining that now. Keith pointed out that there will be a special

warrant article for the Collective Bargaining for the Police in the amount of \$29,969 and added that they are in negotiations with the Police and hope to have that approved soon. Keith said the Collective Bargaining for the Teamsters is currently set at \$0 because they are currently in negotiating and are reviewing a 22 page document. He added that they are close, however up to this point they have not discussed salaries or benefits and they are running out of time. He explained that they have until February 4th and if the number changes for the Teamsters he will let the BC know. Neil asked what departments are covered and Keith said the Highway, Wastewater & Solid Waste, and the Transfer Station. Jodi asked if this was the first time for the Teamsters contract and Keith said yes this is the first. Brian asked if that was all of the warrant articles and Keith said. He explained that there is \$180,000 in Capital Overlay that includes \$100,000 for roads repair, \$16,000 in for a power cot for the Fire Department, \$54,000 for revenue and \$10,000 for two new police cruisers.

Keith said the BOS also decided to reduce all Health Agency requests by 25% of their requested amounts and only fund 75%. He said they also completely eliminated funding for the Coast Bus Service under Other Economic Development and explained that last year the agency asked for just over \$21,000 and the BOS just felt they had no oversight on how this money was being spent. Keith said the last thing is that the BOS decided to reduce the funding of the Library. He explained that the Library request for funding this year was up slightly and the BOS has agreed to fund \$250,000 of their budget this year which was a reduction of \$31,117 from the Library's request. He added the reason for this is because the BOS looked at the amount of funding the Town was providing and they just felt funding 92% was just too much and that this budget now represents about 72% to 75% for funding. Keith added that there are a couple of things that are still pending including the Teamster piece and a sidewalk plow. He explained the need for a new sidewalk plow and said that the BOS is not sure if they will be buying a new one which is in the \$150,000 to \$180,000 range, look at a refurbish for \$100,000 or a lease service for about \$75,000, and they have not decided if they are going to add that to the budget yet, but if they do it will impact the bottom line. Keith said he want to point out that for every \$474,152 of requests it will be \$1 on the tax rate.

Keith said we are here to answer any questions you may have and added that Arthur is a Selectman's Rep and is very knowledgeable and can help if we need anything explained. Steve said this budget has grown every year yet the tax rate is down about 90 cents from previous years. Keith said yes because we are using the capital reserves funds. Arthur said that BOS felt the roads are our biggest asset and last year we raised the roads and road repair funding to \$360,000 and this year they felt they would take \$100,000 from Capital Reserve and building it back up next year. Neil asked why there is a warrant article for the road repair when the Town has the authority to expend. Keith doubled checked his sheet and said Neil is correct. Arthur stated that we will need to withdraw the warrant article then. Neil asked if there is plans to return any funds back to these capital reserve funds and Keith said there is also going to be \$20,000 for the technology fund and \$25,000 to the Motorized Equipment Fund that will come out of general taxation. He added with the closing of the 2013 budget cycle there will be some funds remaining which should be a little over a million. Keith said our hope is to have the warrants for the February 5th public hearing. Arthur said we made head way on Thursday and the amounts are finished. Jodi asked if the BC could have a copy of the warrants before that meeting and Keith said he will have Megan email them out. Steve asked about the police cruisers and thought we purchased one every year. Arthur said we have not done one in 4 years because we have taken them out each year. Chief Willey explained the current condition of this cruiser and why they need to be replaced. Jerry asked if they are being replaced or is this to increase the number in the fleet. Arthur said they are replacing older two cruisers.

Brian questioned why the Economic Development Committee budget was cut and Keith explained that there is a lot of money available in the Sarah Greenfield account for the sign and the Board of Selectmen thought they should be using funds from that account. Gail asked how much was in the account and Arthur said about \$75,000 and added we actually went through the items line by line that were submitted and thought that most of the items could come from that account.

Jerry asked why the salary line was down and Keith said that part of that is due to the assessment clerk's position. He added that the BOS decided to replace the full-time position with a part-time one for now and then see if we need to increase that back to full time later. Keith also said that we have reached out to a firm for extra services if needed during the transition period. Keith said that because of this change the BOS reduced the cost of 1-family health care coverage by half. Kathy King asked when is the new software going to be ready and Keith said it should be ready to go for the second billing cycle. Gail asked if the State Tax Rate has been set yet and Arthur said it will go up about 12%.

Steve asked if the provision for Obama Care going to impact the town. Keith said it will have some impact in the future and explained that the Police agreement will only be for one year because he didn't want to extend past that year due to health care packages. Keith also explained the two types of options currently offered and how the Act may be narrowing down the choices. Keith added that the Teamsters will be offering a health package so they are waiting to see that package. Arthur said the other issue with the new Act is now anyone working 28 hours or over qualify for health benefits. Kathy Seaver explained how she is working with another Town who has the same problem, in order to work around the 28 hour requirement. Jodi stated that the school is putting money away for possible fines and asked if the Town should do that too. Arthur explained how the Town budget is on a different fiscal budget cycle than the school and how the Town will not have to address this issue until the next budget cycle.

Neil questioned the Appraisal line being up by \$33,000 this year and Keith explained that the increase is for the town property revaluations and how they will see the amount cycled in the budget every 5 years. Neil asked if this amount also includes the part time help from Cross Country and Keith said no that is in a different line. Brian asked about the other insurance costs being up about \$8600 from last year. Keith said those are numbers presented from the insurance carrier. Arthur explained how the Property & Liability is now being calculated based on usage and Keith added we've had a few claims this past year.

Brian question the downtown Christmas Lights and asked where the replacements and electric costs comes from and Dale explained the electric cost is included in the highway department street light budget, and the replacement of lights and bulbs are included in the Economic Development Committee budget. Gail asked how much is the annual cost for the Christmas lights and Pam said that the replacement and maintenance cost each year is about \$900 - \$1000. Steve said that was a lot of money and Keith explained the yearly process for maintaining the lights. Kathy King added that if we are looking at having pride in community, we want them to look nice. Steve asked as a realtor, how many properties are actually sold because of the Christmas lights. Rick explained that people in town look forward to the lights and the tree lighting ceremony, and added that the lights are not actually on that long. Ann said it gives people a sense of pride and togetherness. Keith said we are talking about \$1250 so if the EDC could use those funds for something else, we can find that amount elsewhere in the budget. Gail said that pretty much whipes out the EDC budget and we will not be

able to do much of anything else. Arthur said that he is speaking for the BOS, and suggested that the funds for the Christmas lights be removed from the EDC budget. Keith explained some of the tasks he and the BOS are working on now including a request for proposal to find a commercial real estate developer to market Sarah Greenfield properties and they are also looking at partnering with St Jeans Auctioneers to put about a dozen properties back into the tax role. Kathy King explained how other communities hire a full time Economic Developer to bring businesses to their town and how we have to be user friendly for businesses to come here. Keith said these are some of the things the Economic Development Committee and he have talked about so he doesn't want people on the Budget Committee to think they are not doing anything, because they are. Keith also explained the TIF and how it provides a tax incentive for businesses to come and locate in a district. Steve asked if the addition tax could be directed to a bond and Keith was not sure and asked Kathy Menici if she knew. Kathy Menici explained how a TIF works and added that we can fund bonds if she wants to. Neil asked if the Boys & Girls 500 Club funding has also been cut by 25% and Keith said it was not. Arthur said he must have missed that one or he would have cut it. Kathy King explained what the club adds to our community, how it is run by volunteers, and how they really need the communities support to run. Arthur said his concern is that they should be asking for the funding from the Town just like everyone else has to. He added that so far this year they have not come and picked up there check. Keith explained that the BOS has instructed him to release funds only if they make the request for it. Jodi added that the club is a tremendous asset to this community.

Jerry asked where the Enterprise Fund balance for the Water and Sewer was and Keith said he didn't include that information, but can get it for him. Steve asked about the Road Agent position and Keith said that Dale Sprague has taken over the responsibility of our Highway and Solid Waste Departments and Keith is hoping he will continue to do so. Keith said that Dale has asked to let him get past the winter and then they can sit down and evaluate how things are going to work. Keith explained how this arrangement has eliminated one full time position and the change in blended funding in the budget. Pam said she had the Enterprise Fund balances and then read them off. Jodi asked what the Enterprise Funds were for, and Keith explained that the water and sewer is funded by users and how funds these funds are used to show the cost and the revenue for these services. He added it is a wash.

Steve asked Chief Fowler to explain what the power cot is and what it will be used for. Chief Fowler explained how it will be used and added that they are lifting some very heavy people into the ambulance and this has already caused some injuries to his staff. Paula added that sometimes they have to call extra people to help lift a person, so this will also free up staff and time. Steve asked what the life expectancy is and the Chief said about 7 years. Jodi asked why the police budget went up \$160,000 and Keith said that it was partly due to the state retirement costs going up and there is also the SRO position that was not in the previous year's budget. Chief Willey explained how most of the cost of the SRO is now grant funded and will be offset by revenue. Arthur said there will be about \$90,000 in revenue and Jodi said that still leaves about \$74,000 coming out of the tax payer money.

Neil asked if any long term bonds are expiring soon and Keith read the information out of the Town Report and noted that the RT.11 Industrial Park bond expires in 2018, the Main Street School bond expires in 2016, and the bond for the International Truck expires 2018. Steve asked what new equipment was being purchased for the Police and Fire Departments. Chief Fowler said he is replacing some of his 17 and 18 years old hoses and nozzles because they leak. Chief Willey said he is requesting a new bike, 4 new desk top computers, replacement radios, and a new file server. He

added that he also requested replacement Tasers but those have been put off and taken out of this year's budget. Arthur told Jodi that he just did a quick calculation and found that about \$75,000 of the Police Department's increase is for personnel. The Chief pointed out that they have an additional pay period this year so you will see that adjustment also in the budget. Jerry asked where the savings were for the street lights and Pam explained how the project took over a year to complete and we should see some savings soon.

Jerry asked if everything including the warrants was in the tax rate. Arthur said except the Teamsters agreement if that passes, and Keith added the only other piece is the sidewalk plow. Gail said that will add \$75,000 to \$180,000 to the budget depending on what the BOS decides to do. Neil asked about the agreement with Frisbee and Arthur explained that they signed a new agreement and paid their taxes at that time. He added that Frisbee had previously paid in advance and due to that, they abated and we refunded based on the new agreement. Brian asked if the payment they make was close to what they would pay in taxes and Keith said it was about the same. Neil asked how the ambulance collections were going and Chief Fowler said good and explained the person he hired has collected over double the cost for the position.

Brian asked if any of the Department Heads wanted to say anything and Shanna Smith, the Library Director said she does. Shanna told the Budget Committee that the Library is taking about a \$31,000 hit this year and she was wondering how they can work with that number when she hears other departments talk about pay increase. Brian explained that the town portion of funding has been 93% of the Library's budget and we don't have any control over how that money is being spent. Arthur added that we had to make cuts and we didn't want to cut the police or fire departments. Keith added that he is a supporter of the Library; however it is up to the BOS to decide what they can afford to support. Brian asked what services are going to have to be cut and Shanna said they will have to reduce the funds for books and material which has already been cut in half, as well as cutting staff and building hours. Shanna explained that the Library has already been creative in their programs and they are seeing an increase in usage. She added that they have adults waiting in line to use the computers and the Library is a hub for this town. Shanna asked the committee to at least level fund the Library this year. Bobbie said she would like to speak on behalf of the Library and Recreation Department and explained how she felt both of these programs benefit the community and are very important. She said the cuts in this budget will affect both programs. Shanna added that the Library did not have a Director for a long while, and explained that the Library does try to take in some income and they are looking at increasing dividends and doing fund raisers. She added that they had to replace the furnace last year. Shanna said that if the Library was level funded this year, they will make every attempt to bring in revenue and reduce the budget next year. Arthur said that he wanted to make it clear that the BOS did not cut the Rec Department's budget. He added that a lot of the items in their budget was relocated and will now come out of user fees. Steve asked what options the public has to level fund the Library. Arthur said that it can be raised and approved from the floor at the town meeting.

Brian asked if anyone else had anything to add and no one did. Keith thanked the Budget Committee.

Brian said the Public Hearing for this Town Budget will be February 5th, at 6:30 in this room, and the School Deliberate Session will be held Saturday, February 1st at 9:00 AM at the High School.

Kathy King asked Rick if he was worried about the changes in the Rec Department's budget. Rick said they are realigning programs to user fees for funding and explained that they have already made the suggested cuts so they should be fine.

3. SCHOOL BUDGET UPDATE:

Brian said that he has been informed that the School District is going to make a public announcement and that he has met with the Superintendent and the Business Administrator to make sure we understood what was going on before the press release was posted. Brian said the Farmington School District voted on Wednesday to remove the SAU portion from the proposed Farmington School budget for the purpose of tuition school rate, therefore they will be making an adjustment in their projected revenue from Middleton. Brian added that the potential tax impact of the total proposed operation budget is 2.58 which is actually 1.80 and does include all the proposed warrant articles. Jerry asked if the adjustment would also be made for this current year. Brian said yes and added that apparently we have been billing Middleton incorrectly. Kathy King said that it is not up to the School District to decide and explained that both Towns realized at the same time last year this was an issue, and this was the first time since then the School Board could act on it. Jerry asked if there has been a legal review and Kathy said they are doing that now.

Brian asked if there were any more questions or comments and there was none.

10. ADJOURNMENT:

MOTION: At 10:57 AM, Gail motioned to adjourn.

SECOND: Ann

DISCUSSION: None

VOTE: All in favor. Motion passes

Committee adjourned at 10:57 AM.

Respectfully submitted by Debra Cantwell, Recording Secretary