Town of Farmington
Budget Committee Meeting
Wednesday, October 28, 2015

**Committee Members Present:**Ann Titus, Chair
Sylvia Arcouette, Vice Chair
Neil Johnson, Selectmen’s Rep.
Jodi Connolly
Resta Detwiler
Sam Cataldo
Stephen Henry

**Committee Members Absent:**
Stan Freeda, School Board Rep. - excused

**Others Present:**
Town Administrator Arthur Capello
Superintendent Steve Welford
SAU Business Administrator Laurie Verville

**1). Call to Order:**Chairman Titus called the meeting to order at 7:10 p.m.
**2). Pledge of Allegiance:**All present stood for the Pledge of Allegiance.
**3). Appoint Chairman-**This is a misprint as the Chairman has already been appointed.
**4). Review of Minutes:***September 23, 2015*- **Motion:** (Johnson, second Connolly) to accept the minutes as written passed 7-0.
**5). Public Comment**: None.
Chairman Titus moved the discussion to the Town budget to allow the SAU representatives time to arrive at the meeting.
**6). Discuss Answers to Questions Previously Posed to Board of Selectmen Representative:
General Government Buildings***-
Water and Sewer budget lines over expenditures-Police and Recreation Depts*.- Selectman Johnson said the buildings were checked for leaks and none were found. The over expenditure is due to high usage.
**Fire Dept. -** *Per Diem Fire day coverage is over spent and EMS coverage has nothing spent*- Last year these items were separate lines but the expenses were not recorded that way. This year these two lines will be combined as most of the staff is cross-trained.
*Water and Sewer are over spent*- This line was previously under budgeted at $700 for the year. The quarterly bills average more than $300 and this will be adjusted in this year’s budget Johnson said.  **Administration Highway and Streets-***Rental highway equipment is over spent*- The line is over spent due to hiring Barron Bros. for snow removal and the rental of an air compressor and a plate compactor to prep for the state paving project.
**Highway and Streets***-
Highway new equipment is overspent*- A new tall chute was purchased for the sidewalk tractor to load snow directly into the trucks. A new backpack blower was purchased after the existing blower disappeared from the highway garage. The cost of the new blower was less than the claim deductable so the loss was not submitted to the insurance company. Town Administrator Capello said a Police report was filed and there are no video cameras in that area.
*Culverts and Catch Basins line is overspent-* This is due to work prior to the downtown paving project.
**Parks and Recreation**-
*Maintain Parks line is over spent*-The funds were used to purchase security cameras that were not included in the budget proposal. The matter was discussed at Town Meeting and Selectmen decided to purchase them with funds from the existing budget.
**7). Town Budget and Revenue Reports:
A). Remittance Report-** Members questioned the following line items:
*Page 11, Miscellaneous ($3,531.70)* - This line represents payments received for copying and printing items such as tax cards, etc.
*Health and Safety Incentive ($500)* - This is a grant the town receives from the insurance company to promote programs throughout the year to improve employees’ health.
*Municipal Agent Fee ($19,868)* – This is a fee the town receives for collecting the state fees for services. Mr. Henry said the individual is charged an additional fee and the state allows the town to keep that fee.
**B). Actual and Budgeted Expenses and Encumbrances Report -***Page 4, line 01-4194-40-910, Capital Project Municipal Center ($33,907)* - This is the Capital Reserve Fund that is funded from rent paid by the SAU when they were located at the Municipal Building. The funds must be used to repair the building and some of the funds were recently used to repair the leak in the roof but the expenses have yet to be entered. There is about $13,000 remaining in the account. Mr. Capello said he is working on getting a contractor to look at other items to be repaired next year. *Page 4, Line 01-4196-10-999-Deductible for Insurance Claim (overspent by $1,535.23)* – Mr. Capello said there is a $1,000 deductible per claim on property and liability insurance. He said usually $2,000 is budgeted for the deductible costs and it may be over spent because of something the town paid for rather than putting it through the insurance claim process. *Page 4, Line 01-4194-30-351- Town Clock ($1,200)* - The funds are budgeted in case repairs are needed and to rent equipment to lift a repair person up to access the clock as it is unsafe to access it from inside the building. If the funds are not used they go back into the general fund Mr. Capello said.
*Page 5, line 01-4210-80-999- Capitol Project-Police Outside ($80,000)* - This is a Special Revenue Fund approved at Town Meeting, funded by outside details and used to purchase and outfit cruisers. Mr. Capello said there will be funds withdrawn from the account as the dept. received a new cruiser about three weeks ago and the bills for outfitting it may not have been paid yet.
*Page 11, line 01-4550-10-670- Library ($260,000) –* Ms. Connolly said that last year the committee asked the Library Trustees to provide their general ledger for their budget and expenses and asked if they could make the request again this year before the budget process begins. Discussion included the Bud Com can ask for what information they need, the library is a completely separate entity, send a letter to the Trustees requesting information for the budget review process, request to have the information before the library budget workshop, Selectman asked the Trustees to provide a detailed accounting by the end of October and waiting until the budget presentation to request more information is not fair to the Bud Com members or to the Library staff and Trustees.
Ms. Arcouette said she attended the last trustees meeting and explained the trustees were having some difficulty putting the budget proposal together as they have never had to submit it in such detail before. Selectman Johnson said the board will have to work with and make their decision based on what is provided. Additional discussion included working with the library to show them how the committee would like the budget to be set up, they have an accountant, treating them the same as the other outside entities seeking money from the town, making them accountable for use of taxpayer money and inviting the Trustees to the Bud Com meeting next month to answer members’ questions.
**Motion:** (Arcouette, second Connolly) to send a letter to the library requesting their presence at the next meeting passed 6-1 (Johnson opposed).
Selectman Johnson said the committee should let the library handle their proposal the way they want to handle it. He said he didn’t want to give the impression the town is trying to take them over. He noted that is not done with any other private entity like the Red Cross. Now you are asking them to give us the information prior to the presentation so we can make sure it is complete and that’s not our job he said.
**Motion:** (Arcouette, second Detwiler) to not send the letter to the library. Discussion included send a letter asking if the Bud Com can be of assistance, not to request they show up and tell us what they have, if a letter is sent to them it should be sent to all outside entities, is the Selectmen’s Rep to the Trustees is taking Bud Com concerns back to the trustees, there has only been one meeting since Selectman Horgan was appointed representative, he stressed to them to make their presentation as complete as possible and to give them the benefit of the doubt about their budget presentation.
The motion passed 5-2 (Henry, Connolly opposed).
Mr. Henry said he would like to see library funding as a warrant article to give the townspeople a better voice in the matter. Mr. Capello said the RSA’s require the town to fund a public library at a “reasonable” amount and if the article failed there would be no funding for the library. The town would then be in violation of the law. He added the legislation doesn’t address what is reasonable.
Discussion included what is more reasonable than putting it to a town vote, let voters decide the proper amount, setting the amount of funds as a percentage of the rest of the budget, “reasonable” can be anything, let the library fight for the amount they want at Town Meeting and if the town budget is reduced Selectmen will decide where the reduction comes from.
*Fireworks-* Mr. Johnson asked for an accounting of the fireworks at the Hay Day celebration. Ms. Detwiler said most of the funding came from a fund raising event held at the Laconia Speedway. Chairman Titus asked for information to be provided at the next meeting.
**8). Review School district and SAU Budget and Revenue Reports:**Superintendent Steve Welford and SAU Business Administrator Laurie Verville came forward to discuss the School District and SAU budgets with the committee. Members reviewed the reports and asked about the following entries: **A). General Fund Year-to-Date Report**Mr. Welford said there are some final adjustments being made to some accounts because some entries such as salaries have been charged to the wrong line making that line seem lower than it should be.
*Vacancies-* Mr. Henry asked how the district is doing in filling any vacancies. Mr. Welford said it is slow going to fill openings for a Technology teacher, School Nurse and Asst. Principal at Henry Wilson and a STEM teacher at FHS. Mr. Henry asked if there are state compliance issues with nurse or technology positions. Mr. Welford said the problem with the tech position is finding someone certified to teach kindergarten through grade eight, who has some experience in technology and wants to teach technology exclusively. He said a substitute teacher is currently filling the position.
*Attrition Rate*- Mr. Johnson asked about the attrition rate this year. Mr. Welford said this year the rate for teachers is slightly over 10% compared to last year’s 25-30% rate. This does not include retirements and non-renewals he said. There were nine people who left the district which shows the teaching market is not as robust as it once was, people are excited about the accreditation project, there is more technology in the classrooms and more confidence in SAU/school building administrators he said.
*Page 14, Speech Services, Salaries Speech Summer School*- (over spent by $511, $1 budgeted). This is an unexpected need that came up after the budget was prepared. There were additional kids with speech needs that were not planned and the speech teacher had to work extra hours to cover that need. Ms. Verville added that on Page 15, there is a similar situation for occupational therapy for summer school.
*Page 27, Line 702, Salaries, Special Ed Bus Drivers*- (Over spent by $14,000). Some of the Special Ed driver time may be charged incorrectly. Mr. Welford said the drivers are getting paid but the question is which account they are being paid from and the lines may need to be adjusted.
*Page 24, Hazardous Materials*- Saybrook Company performed disposal of hazardous waste materials of a number of chemicals in storage at the high school. There were more chemicals needing disposal than previously thought which is why the number is higher than budgeted.
*Page 28, Transportation, Recreation and Other, Salaries Misc. Rec. Trips*- This line represents the Rec. Dept. use of school district buses for the after school FAMEE trips. Ms. Verville said the district bills the Rec. Dept. and the revenue will show up in the general fund.
*Page 29, Line 760, Salary Videographer*- Welford said the videographer does two roles for the district, one as videographer and computer technician and he also teaches a class. Mr. Welford said he thinks the teaching salary is being incorrectly charged to the videographer salary line. There also a stipend for $3,000 for non-school time work he does such filming concerts and athletic events after school or at night which would be entered into a third line Welford said.
*Out of District Tuition-* Mr. Welford said this item was budgeted very tightly and there is an over expenditure at the high school due to unanticipated court placements for students with IEP’s. The district will be able to cover the costs unless it gets significantly worse and at that point, the School Board would need to withdraw funds from the Trust Fund for Special Ed Tuition which contains about $200,000. The tuition is considered a normal and customary expense so a federal or state grant will not pay for it because that would supplant the local budget which is not allowed. The judge has the final say over the student placement and by law the parents are not required to pay the tuition, but the court will pay the tuition if the child does not have an IEP. Other avenues are being pursued through the courts to join other school districts that should bear some of the costs of kids who have moved into the district so this may change at some point. He said Medicaid may cover some of it depending on the services needed, but there would probably be a better chance at payment through Catastrophic Aid.
**B). Year-to-Date Special Revenue Funds**Ms. Verville said this is working document showing federal funds revenues of approx. $1.3 million and as approval is received to expend the money, they would increase the budget, pay the expenditure and get the cash draw down from the state.
*SIG Grants*- Mr. Welford said the SIG (School Improvement Grant) grants are 3 year grants and Farmington originally received $200,000 each for Henry Wilson and FHS. The money ran out last year and then because there was “left- over” money they decided to go to a fourth year and Farmington qualified for just under $100,000 each for the two buildings.
Farmington did not spend all of the funds available in 2012 because the grants became available later in the year and there was not enough time to spend all of the funds. The district was recently notified it will receive the remaining money from 2012 so we will receive approx. $80,000 to be spent at FHS and Henry Wilson School. The money will be used for SMART Boards, the accreditation program, curriculum mapping and library software updates, update existing labs, staff and leadership training he said.
*Homeless Students*- Mr. Welford said there are approx. 60 homeless students in the district at last count. He explained the federal law which defines homelessness (McKinney-Vento Act) is very broad and covers many situations including “unaccompanied youth” as well as families in need with no place to live. There are no boundaries on who is considered homeless or how long the classification lasts he said. A homeless child doesn’t necessarily place a financial burden on the district but it has to accommodate what the child wants such as choosing which school they want to attend. When a student moves from Farmington to Rochester but wants to finish their education in Farmington, the Farmington School District must bus that child from Rochester to Farmington. There are a couple of situations like that currently and the district is trying to share the transportation needs with the district the child lives in.
*Out of District Placements*- Mr. Welford estimated there are 28 to 30 Farmington students placed out of district. He said some of those students will soon age-out of the program and the district is working to bring some of the other students back to the district with more services such as the new Autism program. He said they are trying to convince parents the district can provide some of the needed services and it is in everyone’s best interest for them to come back to Farmington. It’s a fluid number because some come back and then 2-3 more have to go out he said.
Mr. Henry asked if the accreditation was being completed with the remaining SIG money. Mr. Welford said Valley View Elementary is not covered by SIG and the program is funded through a variety of sources including the Federal Rural Schools grant, Professional Development money as well as SIG funds.
**C). All Funds Revenue Report***Middleton Tuition Payments*- Mr. Welford said previously payments were made quarterly and based on recent events the board chose to switch to monthly payments and the payments are up to date for this school year. He suggested the committee may be hearing soon that some issues may have been resolved and he doesn’t anticipate that withholding tuition funds will be an issue going forward.
*Tuition Parent Paid Preschool*- Mr. Welford explained that those parents whose children have not been coded for Special Ed pay $25 or $50 a month for their children to attend preschool. Preschool must provide opportunities for 3 and 4 year old children with special needs but also needs to provide role models for them which are children without special needs. The percentage of both groups can’t exceed 51 % role models to 49% special needs students. He said the number of kids with IEP’s dictates the number of kids we can take in who do not have IEP’s.
*Budget Help*-Mr. Welford told the committee he needed their help facing some really serious budget challenges and requested some help and guidance from the committee. Discussion included cutting approx. $1.5 million out of the budget last year, the need to cut another $1.5 million this year, significant strides made in the school system over the last 3 years, the process of trying to get the entire school district accredited simultaneously, The New England Association of Schools and Colleges (NEASC) wants to use us as a model for accreditation in the entire NE region, the Commissioner of Education gave her blessing to the plan and the Bud Com’s expectations about the school district budget proposal.
Mr. Welford then suggested the school district be responsible for reducing another $1 million and asked if the Bud Com and the community would support them for the other $500,000. He added the School District will have cut $2.5 million over the past two years, have only asked the community for $500,000, it will have survived the entire (Middleton) withdrawal process and most of the good work done over the last few years will make it through intact.
Additional discussion included concerns about cutting the $500,000 could result in further staff and program cuts, possible effects on the accreditation process due to program cuts, building a budget that the Bud Com and School Board can support on a warrant article in March and concerns about staff members worried that their jobs are going to get cut.
Selectman Johnson asked if Mr. Welford was suggesting the Bud Com okay charging $500,000 to the tax rate. Mr. Welford said he was asking them to tell him whether to cut $1.5 million or if cutting $1 million will satisfy what needs to be done.
Members also discussed reducing a $17 million budget to $14 million in 2 years, there are 250 less students in the district, reductions in revenue which may or may not result in budget cuts, justifying classes offered, keeping important programs in place for students, looking at other sources for classes needed such as vocational centers and online classes, a prioritized list of programs with the least to the most impact on students, what direction the School Board gave to their budget team, no control over huge increases in retirement funding and insurance costs and accreditation attracts industry to town and effects home evaluations.
Members said they did not want to make decisions without seeing the budget proposal and requested the School District budget be prepared by the administrators to the best of their ability and presented to the Bud Com as it has been every year.
**9). New Business:**A). Set Dates for School Workshop/Public Hearing-
December 5, 2015- School District budget presentation workshop, 9 a.m. at the Municipal Building.
January 15, 2016- School District budget Public Hearing, 7 p.m. at FHS or Henry Wilson School
January 19, 2016- Snow Date for Public Hearing, 7 p.m. at FHS or Henry Wilson School
January 30, 2016- School District Deliberative Session, 9 a.m. at FHS.
B). Set Dates for Town budget Workshop/Public Hearing-
January 27, 2016 – Town budget presentation workshop, 7 p.m. at the Municipal Building
February 17, 2016- Town budget Public Hearing, 7 p.m. at the Municipal Building
**10). Next Meeting:** November 18, 2015 at 7 p.m. in the Municipal Building.  **12). Adjournment:
Motion:** (Cataldo, second Arcouette) to adjourn passed 7-0 at 9:10 p.m.
Respectively submitted
Kathleen Magoon
Recording Secretary