Town of Farmington  
Budget Committee Meeting  
Wednesday, September 23, 2015

**Committee Members Present:**Ann Titus, Vice Chairman  
Resta Detwiler  
Stan Freeda, School Board Rep.   
Stephen Henry  
Jodi Connolly  
Sylvia Arcouette  
Neil Johnson, Selectmen’s Rep.

**Committee Members Absent:**Sam Cataldo

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

**1). Call to Order:**Vice Chairman Ann Titus called the meeting to order at 7:05 p.m.

**2). Pledge of Allegiance:**   
All present stood for the Pledge of Allegiance.

**3). Appoint Chairman:   
Motion:** (Connolly, second Henry) to nominate Ann Titus as Chairman passed unanimously.   
**Motion:** (Johnson, second Titus) to nominate Sylvia Arcouette as Vice Chairman passed unanimously.

**4). Review of Minutes:***June 24, 2015* –   
**Motion:** (Connolly, second Johnson) to accept the minutes as written passed 5-0-2 (Freeda, Henry- abstained).

**5). Public Comment:**Town Administrator Arthur Capello said that he and the dept. heads have gotten an earlier start on the budget proposal with the goal of getting the proposed town budget to Selectmen in October and to the Bud Com in November. He said early calculations show that other than personnel, it is a zero increase budget. He outlined several areas he has been working on to save the town money including oil (reduced from $3.18 to $1.82 a gallon) and propane (reduced from $5.12 to $1.64 a gallon). Other RFP’s sent out and awaiting replies include accessing, payroll, health care and IT services.  
Capello also told the committee Selectmen have chosen the 85 acre Route 153 site as the site for the proposed Public Safety Building. They plan to include the proposal as a warrant article at the 2016 Town Meeting at an estimated cost of between $2.1 million to $2.5 million and it would be funded by a 15 or 20 year bond if approved he said.   
Steve Henry asked if any grants are available to fund the building. Capello said there are no grants for construction of the building itself, but there may be some funds available for equipment. He added that the town can’t apply for the funds until the building is approved.

**6). Discuss Answers to Questions Previously Posed to the School Board Representative:**SAU Business Administrator Laurie Verville came before the committee to answer questions posed at the June 24th meeting in place of Superintendent Steve Welford who was unable to attend the meeting.   
**Year to Date Expenditure Report General Fund:**   
*Page 2, Line 54- Supplies, GED Program-* (over expended by $400). This line relates to Line 56 which is over expended by $685. This is due to payment of testing fees for the GED test administered by Dover Adult Learning Center for 13 students who successfully passed the test Verville said. She said the district prepares students for the test which is administered at the Dover center and the district pays for the testing.   
*Page 4, Lines 113 and 114- Salaries, Special Ed., Tutors-Henry Wilson and FHS*-(over expended by $570,000). Verville said the lines were not over expended by $570,000 but the line for the High School was over spent by $50,716 due to the hiring of a Life Skills teacher. The salary will be funded from savings in Lines 105 and 106 leaving a total of $36,978 in those salary lines she said.   
She explained that tutoring expenses are unpredictable and this year students who needed these services resulted in an over expenditure of $8,616 while in 2014, the district paid $1,245 for tutoring services. She added that a Life Skills teacher was added to the middle school last year and the program was extended to the high school this year.   
Chairman Titus asked for the definition of “FYE”. Ms. Verville said it stands for “Fiscal Year Ending”.   
*Page 21, Line 548- Telephone- FHS*- (over spent by $236.56). Members previously noted there was supposed to be a decrease in phone expenses after the district switched to Voice Over Internet Provider (VOIP) but no savings were realized. Ms. Verville said they are currently working on an RFP for telecommunications services.  
*Page 22, Line 574-Salaries Sub- Custodial DIS-* (overspent by $254.49). This line is for custodial substitutes throughout the year for all three schools. Substitutes are not called in unless a custodian is out for a period of time due to medical issues Verville said.   
*Estimated unspent funds to be returned to the Town*- Ms. Verville said the district plans to return $512,460 to the town to offset taxes at the October 2015 tax rate setting. She said these savings result from conservative spending in salaries, retirement costs, Special Ed placements and contracted services, utilities, heating oil and savings from warrant articles 11 and 12( $29,130).  
This figure also includes approx. $87,000 in revenues collected from various sources such as catastrophic aid, Medicaid, the health insurance premiums rebate and unspent PPACA (Afford able Care Act) penalties ($75,000 budgeted). It also takes into account tuition costs not paid by the Middleton School District she said.

**7). Review School District and SAU Budget and Revenue Reports:**  
*All Funds – Revenue Report*- Ms. Verville said the report is not complete as the office is in the process of filing the state Revenue Reports and it will be more defined at their next meeting. She noted the district took in $67,000 in premium holiday district portion (Page 1, Line 12), another $20,000 in catastrophic aid (Page 1, Line 16) and that Medicaid revenues appeared to be on target ($180,000).   
*Year to Date Expenditure Report- Grants Special Rev Funds:*Ms. Verville said this document progresses throughout the year. The grants total about $1.3million and require a preapproval from the state, the expenditures flow through and then the district collects the funding from the state. Some grant programs end in September and some end in June so it is a process of almost continual reconciliation and there is a carry-over from year to year she said.   
*Year to Date Expenditure Report- General Fund:*   
*Page 5, Line 124- Salaries, Para Preschool, Summer*- No funds were budgeted, but the line was overspent by $3,509. Ms. Verville said the negative amounts do not mean no funds were budgeted. She said there are a series of negatives on salary lines because they will be charged back to a grant that began in July which is under review by the state. The number of pre-school Special Ed students is unpredictable and increased unexpectedly for the summer program she said. Discussion included the difference between the pre-school classes at the Farmington Children’s Center, which is a federally funded program based on income level and at the Valley View Elementary School where the program is open to resident mainstream and Special Ed students regardless of income.   
*Page 5, Lines 125 and 126- Insurance Buybacks*-(over spent by $1,530 and $3,380). Ms. Verville said these figures represent employees who chose to receive payment in lieu of health insurance coverage which resulted in savings in insurance premiums.   
*Page 10, Lines 263-265- Reading Teachers-* Ms. Verville said the report shows a series of negative amounts related to the reading teachers’ salaries under Function 1491 and that all of those costs belong under Function 1100 on Page 1. Reading is considered instructional so all of these positions will be moved to Function 1100 when the 2015-2016 budget is prepared. The remaining positive amounts under Function 1100 will offset the negatives in Function 1491 she said.   
*Page 15, Line 378- Health Insurance-Occupational Therapist* – (over spent by $7,705). Ms. Verville said this is due to a “qualifying event” such as a change in marital status, family size, etc. which may require a change in insurance coverage.  
*Page 19, Line 480- Health Insurance-Principal’s Office-*(overspent by $21,652). Ms. Verville said this is similar to the above item and noted the person filling the position was changed. The increase should be covered by savings from other employees who made changes that reduced the district’s costs she said.   
*Page 27, Line 703- Salaries-Special Ed. Bus Drivers*- (overspent by $19,536). Verville said this line is offset by Lines 674 and 712. She said this is an erroneous posting because the district only has one van for Special Ed runs so some of this needs to be posted under Function 2700 regular bus drivers. She said buses are making the same number of runs with the same routes as before.   
Steve Henry said he was concerned about not budgeting enough money for the entire Special Ed program as this budget is tighter than in previous years and asked how the change is working out. Verville said there has been one new court ordered placement so there will be a negative variance of $33,000 and the Spec. Ed Director shifted some money from contracted services to cover the cost. She noted that budget management has been much more collaborative, but she agreed this budget needs a good hard look on a regular basis.   
*Page 27, Line 695- Mileage and Plug-in Reimbursement*- Ms. Verville said this represents making special trips to jump start buses on the road and coming in to plug in heaters to start diesel fuel vehicles in cold weather. She said most of the vehicles are kept at the school with the possible exception of one van where the driver lives less than a half mile from school.   
Chairman Titus asked if Ms. Verville would like to speak about the status of the school accreditation plans. Verville said she is more of a behind the scenes support person for this program and suggested getting more information from Superintendent Steve Welford or Principal Cynthia Sparks. Chairman Titus thanked her for her assistance.

**8). Discuss Answers to Questions Previously Posed to Board of Selectmen Representative:**Members decided to move to review of the town budget reports.

**9). Review Town Budget and Revenue Reports:***Remittance Report*- Steve Henry asked about the status of the tax deeded properties sold by auction last year. Town Administrator Capello said he just heard back about the law suit involving a buyer who backed out of the sale of five parcels and sued the town for return of his escrow funds but is unable to disclose any further information at this time. He added that Selectmen have a list of properties that are available for sale and are currently deciding whether to sell them by auction or sealed bid.   
*Actual and Budget Expenses and Encumbrance Report-*   
*Page 1, Line 01-4130-60-110-Administrative Support-Secretary-* (over spent by $3,031.81). Selectman Johnson said this is due to providing additional coverage for the Selectmen’s Secretary while she was out of work due to an injury. Capello said this line will be increased to include the cost for additional secretarial coverage when the regular secretary is on vacation.  
*Page 1, Line 01-4130-90-120- Meeting Minutes Secretary*- (over spent by $622.52). Capello said the town was without a Town Administrator for several months causing the Selectmen to meet every Monday requiring more meeting minutes than expected. Selectman Johnson added that there has also been an inordinate amount of non-public meetings.   
*Page 3, Line 01-4191-95-220 and 225-FICA and Medicare- Planner*- (over spent by $121.33 and $61.52). Selectman Johnson noted that the town has no Planner. Capello said the town had a Planner for part of the year and some of the expenditures may include the Planning Board Secretary. Capello said he will check with the Finance Administrator to determine why the lines are over spent.   
*Page 2, Line 01-4150-30-312- Tax Map Update*- (over spent by $294.40). Capello said the town just completed a full reevaluation so all of the town tax maps had to be updated.   
*Page 4, Line 01-4194-10-430- Repairs/Maintenance- Town Hall* - (over spent by $3,903.16). Capello said this expense is offset by insurance coverage on repairs to the air conditioning unit after it froze up last year. A shelter has been constructed over the unit to prevent this from happening again. The claim did not cover the cost of the shelter he said.  
*Page 5, Line 01-4220-10-112- Per Diem Fire Day Coverage-*(over spent by $182,457.74). Capello said he was not sure why the line was over spent and will contact the Fire Chief for more information. He added that if anything would be over spent it would be the EMS as it is staffed 24 hours a day, seven days a week. Some EMS personnel are dual certified for fire and EMS services he said. Steve Henry also noted that funds in the EMS line have not been spent at all. Selectman Johnson suggested there may be a coding error responsible for the large over expenditure.   
*Page 4, Line 01-4194-10-412-Water/Sewer Town Bldgs. (up $484.13) and Page 6, Line 01-4220-80-412- Fire Dept. Water/Sewer (up $327.21)-*  Discussion included possible reasons these lines are over spent such as shower facilities at the fire station, washing Police and Fire vehicles and filling Fire trucks. Johnson said in the past, the town was not charging itself for water/sewer use and then started to do so about 2-3 years ago as part of the requirements to receive Enterprise funds. Steve Henry asked if they must use potable water to fill fire trucks. Capello said it does not have to be potable water but they sometimes use it in a pinch. Chairman Titus asked if it was possible the numbers were being “fudged”. Capello said the water sources are now metered.  
 *Page 7, Line 01-4311-10-440- Rental Highway Equipment-* (up $1,234.25). Capello said it is probably due to snow removal or a piece of equipment out of service so a replacement was rented. He will find out from the Public Works Director.   
*Page 8, Line 01-4312-10-691- Crushed Gravel*-(up by $5005.24). Capello said the dept. rebuilt the lower end of Ten Rod Road which took about 2 or 3 weeks to repair the damage caused by washouts.   
*Page 8, Line 01-4312-30-740- Culverts and Catch Basins*- (up by $2192.56). Capello said he will find out why the line is over spent.   
*Page 8, Line 01-4312-20-740-Highway- New Equipment*-(up $2687.98). Capello said he will check with the dept. head to see what this represents.   
Jodi Connolly asked who paid for the paving in downtown area. Capello said the paving and sidewalk ramps project was funded by the state and the town is responsible for raising the manhole covers, line painting and areas outside of white lines on the edge of the road.   
*Page 10, Line 01-4414-10-290- Animal Control Mileage-* (up by $211.15). Capello said the dept. does not have an Animal Control Officer as the current ACO left the position for a full time job. He has been filling in for the dept. on an on-call basis and charges mileage when answering calls. Capello said the position has been vacant for a while as the dept. has prioritized the hiring of regular full time Police Officers.   
*Page 10, Line 01-4415-90-960- 500 Boy’s and Girl’s Club* -($853 unspent). Selectman Johnson asked Capello to send a letter to the club asking them if they still want their money. He noted that last year the club waited until the last moment to pick up the funds given to them by the town. Capello explained the process involves two letters, one to request a donation and a second asking for the funds be disbursed to them in order for a check to be sent to them.   
*Page 11, Line 01-4520-20-630- Maintain Parks-* (up $505.89). Capello said this expense was for repairs to the gazebo at Fernald Park. Henry asked why the spray paint graffiti is still on the gazebo. Capello said because it is on the Public Works Director’s to-do list.   
*Page 11, Line 01-4520-10-635- Recreation Dept.- Gasoline-* (up $402.03). Capello said he was not sure why nothing was budgeted yet it was over spent. He will contact the Rec. Dept. Director for further information.   
*Page 11, Line 01-4520-10-140- Parks and Rec. Overtime*- (up $25.19) Capello said this may be related to coverage for the Hay Day celebration and will ask the Director.   
*Page 13, Line 01-4902-20-752- Police Cruisers-* ($9,775 remaining). Selectman Johnson questioned why there is almost $10,000 left in this budget. Capello said this will be spent to have a cruiser outfitted with additional equipment such as internal light bars. There may be $500- $600 left in the line after equipment is installed he said.  
*Page 14, Line 01-5000-15-311- 2014 Encumbrance Safe Routes*- ($100,107 unspent). Capello explained these funds are from the Safe Routes to School Program grant which will be used for sidewalks in school areas. The Building Inspector is working with the state Dept. of Transportation and overseeing the engineering of the project. He said the project is scheduled to begin next year and includes moving a fire hydrant on Spring Street to allow for proper placement of a crosswalk and then rebuilding the sidewalks.

**10). Old Business:** None.

**11).New Business**: None.

**12). Any Other Business to Come before the Committee:** None.

**13).Next Regular Meeting**: Wednesday, October 28, 2015 at 7 p.m.

**14). Set Budget Meeting Dates**- Chairman Titus requested meeting dates for the budget process from the town and school district representatives. Neil Johnson said it is the Budget Committee’s responsibility to set the dates for the process. Titus said she wanted to give the town and school an opportunity to say what dates are not good for them. If they are unable to provide the information by the next committee meeting then the Budget Committee will set the dates she said.

**15). Adjournment**:   
**Motion:** (Connolly, second Arcouette) to adjourn the meeting passed unanimously at 8 p.m.   
  
Respectively submitted  
Kathleen Magoon  
Recording Secretary