Town of Farmington
Budget Committee Meeting
Wednesday, January 27, 2016

**Committee Members Present:**Ann Titus, Chairman
Sylvia Arcouette, Vice Chairman
Stephen Henry
Jodi Connolly
Neil Johnson, Selectmen’s Rep.
Stan Freeda, School Board Rep.
Sam Cataldo (7:10 p.m.)

**Others Present:**
Town Administrator Arthur Capello
Interim Superintendent Dr. Keith Pfeifer
SAU Business Administrator Laurie Verville

**1). Call to Order:**Chairman Titus called the meeting to order at 7 p.m.
**2). Pledge of Allegiance:**All present stood for the Pledge of Allegiance.
**3). Public Comment**: None.
**4). Review Minutes:**December 23, 2015-
**Motion:** (Johnson, second Arcouette) to accept the minutes as written passed 5-0-1 (Connolly abstained).
**5). Department Head Workshop:**
Town Administrator Capello said he advised the dept. heads and the other Selectmen they did not have to attend the town budget discussion with the committee. He said the town budget is up by $14,533 which includes all proposed warrant articles if approved. Selectmen created one new position and expanded two part time positions to full time. The Welfare Administrator will be will become full time and continue to handle welfare duties and take on EDC duties, special projects and assist in the Planning Dept. The Assessing position has also become a full time position and will assist the Finance Administrator with preparing for the audit and will also cross-train to provide coverage in the Finance Dept. when the Administrator is absent he said.
Capello said that a new position, Deputy DPW Director has been created to take over for the present DPW Director when he retires. The Deputy Director position will disappear once the person takes over for the Director. The position has not yet been filled but the budget includes the salary for 10 months. The ad for the position is being written by Director Sprague which be reviewed by Selectmen before it is posted.
Other increases include the health insurance costs went up 3.3% and property liability insurance is up 16% due to increased claims including embezzlement, excessive use of force and slips and falls. Additional training will be provided to employees to reduce claims and the resulting premium increases Capello said.
Capello said he wished to give “a ton of credit” to the dept. heads for their tremendous work in keeping the budget to a zero based budget as requested. He said a budget that is up $14,000 is basically a zero based budget where each dept. looked at their budgets with an eye toward “needs” and not “wants”. The budgets presented are 100% supported by the dept. heads and includes what they need he said.
The increase for all insurances is $65,736 and together with the increased/new positions totals $90,829. He added the town has already received $14,000 in unanticipated revenues for 2016.
Jodi Connolly asked what items are found under Other General Government. Capello said that is mostly fuels such heating oil.
Stephen Henry asked about the Goodwin Library, Coast Bus and outside agencies’ budgets. Capello said the library requested $278,000 and was level funded at $260,000, Coast Bus requested $22,000 and was level funded at $21,379 and all other agencies were also leveled funded at last year’s amount.
Ms. Connolly asked why the highway admin line is up $40,000. Capello said it includes a portion of the salary for the new Deputy Director position. The salary is broken up between the highway, solid waste and water and sewer depts. The salary breakdown is 50% from the town, 25% from the Enterprise Fund and 25% from the water and sewer funds similar to the salary breakdown for the current DPW Director’s salary he said.
Chairman Titus asked if level funding the Coast Bus donation would hurt the town in any way. Capello said he did not expect any repercussions and added he told Selectmen the town needs to take care of our own first. He said our dept. heads had to cut things and sharpen their pencils so it needs to happen to the outside agencies too. Titus said she didn’t want the bus company to “hold people hostage” by removing a bus run. Capello said the Selectmen approved the budget as presented and said the committee needs to take a stance. Titus added her grief with the company is there is no communication.
Ms. Arcouette said if agencies are going to request money from the town they should come before the town to discuss their requests.
Stan Freeda said if the company needs more money then we need to pay it. We need to pay for what we need to have he said.
Mr. Henry asked if the Rec. Dept. has received the new bus. Capello said the vehicle was inspected by the town mechanic, the requested repairs were made at the dealership and it will be delivered on Friday.
**6).School Reports:**
SAU Business Administrator Laurie Verville introduced Interim Superintendent Dr. Keith Pfeifer to the committee. She said Dr. Pfeifer has 43 years experience in public education with 29 years of central office experience. Dr. Pfeifer told the committee if they ever have any questions to call or come to the SAU Office. He said he has always had an excellent relationship with budget committees and believes it’s important to have an open dialogue. He then reminded everyone of the Deliberative Session to be held on Saturday at FHS.
Ms. Verville said the report given to the committee members is color-coded representing the General Fund, Grants and All Funds Revenues reports.
*General Fund Report*- She said there are several areas where they are doing very well in tracking the budget – all salaries for all positions have been encumbered including their benefits. There are considerable supplies and textbooks on hand, and there are also some funds that are unencumbered and unspent.
Some of the salaries not expended include the academic extracurricular personnel and athletic extracurricular positions which are looked at on a case by case basis when they are hired and when they fulfill their responsibilities they are compensated she said.
She said that on Page 10, lines 254 through 261 there is a small accumulative deficit of $593 which represents additional needs for summer salary hours.
Ms. Verville said all of the out of district tuitions are encumbered and accounted for. Lines 176 and 177 show the district is ahead by $144,000. She said that is something that could change and they are working closely with the Special Ed. Director to try to anticipate for the future. Dr. Pfeifer added that Spec. Ed. Is the greatest “wild card” as Spec. Ed. students move in or out.
Mr. Henry asked if any progress has been made with the telephone expenditures. Ms. Verville said the issue is in the works as the district’s invoices have been given to several companies to review and determine how the district might bring those costs under control.
Dr. Pfeifer said the district is also looking into bidding to get a reduced rate for electricity service. Ms. Verville said the current contract has expired and they are looking into some companies they have not looked at before.
Dr. Pfeifer noted this is also a good time to be looking at natural gas prices as they have come down from what they were last year.
Mr. Henry added LED lighting prices are also coming down and it will make sense for the district to switch to LED lighting. Ms. Verville said they are looking at making the switch as a capital improvement expenditure down the road. They are also looking at boiler systems especially for the Henry Wilson School she said.
Neil Johnson asked if Middleton is on track for completing their new school. Ms. Verville said the completion date is mid-May but it is subject to receiving a Certificate of Occupancy and the other town agencies signing off on the project. She said she is not privy to details about what stage the project is in. Mr. Johnson added it was an issue last year because the state could force Farmington to take Middleton students back if the new building is not completed on time. Dr. Pfeifer said to the best of their knowledge the project is on time.
*Grants and Special Revenue Funds Report-* Ms. Verville said this is a continuous document which depicts activities through the Dept. of Education that are pre-approved, the district implements the activities, make the purchases or secure the services and then they are reimbursed for services. It’s a fluid document where budgets and expenditures increase and diminish but you don’t see negative numbers because that is how the system is set up.
Mr. Henry asked if Middleton’s tuition is current. Ms. Verville said the payment arrangement has been broken down into one-twelfth of the projected annual tuition rate paid monthly. The payments are current she said.
*All Funds-Revenue Report-* There were no questions on this report.
Mr. Johnson then asked if the teachers have voted on the proposed health insurance change. Dr. Pfeifer said the school board will address the issue with their attorney at their Monday night meeting. He added there is a proposed number in the budget reflecting a decrease in cost of health care coverage reducing the cost to the district and to taxpayers. Mr. Johnson said he understood they are still in discussion but the committee needs to know if the number presented in the school budget has changed. Ms. Verville said the number has not changed.
Chairman Titus asked if the district has a counter offer to putting the $324,000 in expected insurance savings back in the budget. Titus said she does not think the money should be added back into the budget and that the teachers should accept the new offer as it is a fair plan. She said the town can’t afford it and urged teachers to take a look at the new plan.
Mr. Freeda the decreased insurance cost was put into the budget before we had it so it was a fake decrease. People weren’t asking for more, it was that the number was wrong he said.
Mr. Johnson said the number was moved by the school board so it wasn’t wrong.
 Mr. Freeda said it was the wrong number whether it was approved or not.
Ms. Arcouette asked for an explanation as to how this situation came about. Ms. Verville said the school board hired a consultant to look at available insurance programs for the SAU/school district as a whole and sent out RFP’s to see if the current cost amounts are within the market range. They returned with a plan offered by School Care through Cigna that is an excellent program, both in prescriptions and overall benefits. She said that she and the Superintendent told the board this is a win-win situation that has reduced costs and is comparable to the existing plans. They then budgeted the lower amount in anticipation of the savings. The discussion is with the teachers union as they are going into the third year of the existing contract agreement and this would be a Memorandum of Understanding that would allow the policy change. She said it’s a matter of making them aware of the details of the plan as health care insurance can be tricky. She added that she feels the discussions are making progress.
Ms. Connolly suggested that when it comes time to negotiate a new contract it should be made more flexible for matters like this. Ms. Verville said the present contract is worded to allow some flexibility but sometimes contracts are subject to interpretation.
Mr. Johnson said they took $324,000 out of the budget in anticipation that the new policy would be accepted by the teachers. The new policy is $324,000 less than the existing policy. The budget was built on that assumption but if the teachers decide to stay with the current policy the budget will be underfunded he said.
Mr. Henry added the committee was actually presented three budgets during the school budget presentation- the default budget of over $17 million which was rejected, one budget that showed if the health insurance changed and one if it didn’t change. He said the school board adopted the plan that included the savings in health care, made some more cuts and passed it along to us and that is what we have to work with.
Mr. Henry asked if the facility rental for the Donald Trump campaign stop went well and if the district got paid for its use. Ms. Verville said the campaign paid in advance of the event and said it went fairly well despite being a bit disruptive for students and staff.
Mr. Capello asked when the school officials found out this event was a possibility. Ms. Verville said the district found out one week before the event took place. He asked if in the future if the school district could give notice of events to the town as they found out by rumor. She said the school district found out the same day the town did. It was a school board decision to approve the use of the high school and they took into consideration the possible drain on town resources. She said the district received $2,000 for the facility rental and staff hours for set up and clean up. Capello said he expects the final town expense figures on Monday and then he will bill Trump’s campaign. Selectmen voted 3-1 to bill the campaign for expenses he said.
Discussion included positive outcomes from the event, there were a lot of young people involved, when the school board made the decision to allow the use of the FHS gym, the decision was made at their meeting held on Tuesday, Jan. 19 and was legally posted, previous School Board discussions about the use of school facilities, if the School Board set a policy regarding rental of school facilities and the event brought more customers for local businesses.
Members had no further questions and thanked Ms. Verville and Dr. Pfeifer for coming before the committee.
**7). Town Reports:
Actual budget expenses –** Capello said the town will end up about $400,000 in the black. Connolly asked if the two open Police Dept. positions were filled. Capello said the positions have been filled and the two officers are undergoing training at the Police Academy. Their salaries were included but the new hires’ starting salaries are less so there is some money left over in the salary lines. The town does not have an Animal Control Officer now but plan to hire one in April when dog licensing begins. The part time ACO will send out notices, deliver summons, make collections and answer complaint calls for up to 18 hrs. a week he said. Mr. Johnson added the state sets the fees for dog licensing and gets 25% of the those fees.
Capello said there were some savings from the Town Planer’s position and welfare expenses. Selectmen approved spending $10,000 from the welfare line and $5,000 from the Planner salary to purchase a mini-bus for the Recreation Dept.
Chairman Titus asked if the Grace Church pays a rental fee when they use the Town Hall for their community meals. Capello said the church pays the regular rental rates when they use the facility. Discussion also included if non-residents pay higher rates to use town facilities, if non-residents pay higher fees to participate in Recreation Dept. programs, Farmington residents get “first dibs” at spaces in the programs and if Middleton seniors can participate in Farmington senior programs/events. There were no other questions on the actual expenses report.
**Capello** said there will be a second public hearing on the Public Safety Building on Feb.22 at 6 p.m. The location is yet to be determined. The first hearing will be televised on the local cable TV channel and residents can call or stop by the Municipal Building if there any other questions. **Remittance Report-** There were no questions on this report.
**8).Old Business:**
*Warrant Article 7(to place $50,000 from the unreserved fund balance into a Capital Reserve Fund for maintenance of athletic grounds)*-Mr. Henry said the committee did not need to hold a meeting before the Deliberative Session to consider taking any action as the School Board did not vote to recommend the article at their last meeting.
Discussion included what action the School board actually took, whether the article must appear on the warrant, what was done at public hearing needs to go to deliberative session, the article could be “zeroed out”, the article was ambiguous because the school board didn’t vote on it, change the intent of the article to buildings and grounds maintenance, if school counsel has seen the article and the Bud Com did not recommend the article as written.
Members decided to hold the meeting scheduled for 8:45 a.m. Sat. Jan 30 at FHS as posted.
**9).New business:**Feb. 9, 2016 – Public Hearing on Town budget at 7 p.m. at Muni Bldg,
Feb. 9, 2016- Presidential Primary

**10).Adjournment:
Motion:** (Connolly, second Arcouette) to adjourn the meeting passed unanimously at 8:20 p.m.

Respectively submitted
Kathleen Magoon
Recording Secretary