Town of Farmington
Budget Committee Meeting
Wednesday, April 20, 2016

**Committee Members Present:**Stephen Henry, Chairman
Neil Johnson, Selectmen’s Rep.
Elizabeth Johnson
Alex Morin
Sam Cataldo

**Committee Members Absent:**Sylvia Arcouette, Vice Chairman
Jodi Connolly, Secretary
Stan Freeda, School Board Rep.

**Others Present:**Superintendent Keith Pfeifer
Business Administrator Laurie Verville
Town Administrator Arthur Capello

1. **. Call to Order:**Chairman Henry called the meeting to order at 7 p.m.

1. **. Pledge of Allegiance:**All present stood for the Pledge of Allegiance.

1. . **Public Comment**: None.

1. . **Review of Minutes:**March 23, 2016-
**Motion**: (Johnson, second Cataldo) to approve the minutes as written passed 5-0.

5)**. Review Town and School Reports:
*School Reports:***Chairman Henry asked Business Administrator Laurie Verville if there were any items in the school budget she would like to highlight for the committee. She said that overall the budget is in good condition and it is expected it will end the year in the black.
Approx. $34,000 in unanticipated Special Ed placements occurred in the last month and they have not been recorded in the budget reports but will be covered through funds from other areas such as Contracted Services Verville said.
She said there are a “myriad” of lines in Worker’s Compensation that are running a deficit and she expects the lines will come in at year end with a deficit of about $8,200 due to increased annual premiums. She explained that this portion of the budget was prepared in 2014 and PrimEx gave the district estimated premiums based on the claims history at that time. This increase will also be covered by other areas of the budget where they would hold back spending she said.
Page 10, 1600, Adult/Continuing Education Programs- At the last meeting members inquired about the Adult/Continuing Ed Program Community Ed Coordinator. One hundred percent of the $16,207 in this section remains unspent. Ms. Verville said they originally considered several programs to expand community adult education when setting up the initiative for the accreditation plan but soon realized they needed to prioritize and focus on certain aspects of the plan. Whatever remains unspent will be returned to the town she said. Superintendent Pfeifer added that this is an area they would like to see grow to provide educational opportunities in the community for students and adults.
Page 15, 10-2210-56190-00-33 Test Materials, Staff Curriculum- Mr. Pfeifer added that the testing supplies line item is over by $25,000 ($40,964 expended) which represents three years worth of supplies purchased for the Star Assessment online testing program.
Ms. Verville said this cost will be covered by a budget transfer from Consumables and Text but the entry has not been added yet.
Mr. Henry asked if the same large chunk of expenditure will show up in the budget every three years.
Mr. Pfeifer said it will if the district continues to contract with the Star Assessment Program.
Ms. Verville said that going forward the district hopes to see a leveling out of this cost.
 She said this budget is set up by function but noted that it could be looked at it in terms of its savings in salaries and benefits. Approx. $400,000 saved through attrition of staff, new benefit packages and new hires may be returned to the town at year end she said.
**All Funds- Revenue Report**:
Page 5, 10-3000-44580 Medicaid, State- Mr. Johnson said the state payments seem to be coming in very slowly. He said that approx. $112,000 of the expected $180,000 has been received.
Ms. Verville said there is lag due to a change to Multi-State Billing in Dec. because Seacoast Educational Services ended last June. She said the new company is catching up with the claims, conducting on-going staff training and the transportation costs need to be entered. Some of the funds are just starting to filter in and there are on-going discussions to track the status of the revenues. She added the new company carefully considers the federal requirements before submitting claims to make sure the service is billable.

Audit- Ms. Verville said the district is behind schedule on the audit, but the auditing firm has been back in the office recently and has set up a schedule to complete the audit work. They are attempting to keep the process going to get caught up so that they can begin looking at 2016 in August. The firm is currently examining internal controls and they have noted some improvements she said.
**Year to Date Expenditure Report- General Fund:**
 Page 15, 2212, Improvement of Instructional Services- Copier/Printer Costs- Mr. Johnson said there are a number of entries throughout the budget depending on where the printer is located and asked if the district has a fixed cost contract for copiers and printers.
 Ms. Verville said there is a fixed cost “per click” per machine. She said there has been a lot of additional usage and they have started discussions on how to minimize it.
Mr. Johnson then asked the price per sheet. Ms.Vervile said the cost for black and white copies is .002 cents per page and color copies are .005 per page. Mr. Johnson said that is worse than he thought because at that cost it takes a lot of sheets to add up to $3,000.
Mr. Henry said that is not a bad cost per copy but noted that price does not include the cost of the paper itself.
Ms. Verville said the cost for paper is in a different line item but noted toner and supplies are a part of the copy count cost. She directed members to Page 2, Copier/ Printer Service Contract and noted there are some funds left over there. The savings will offset the click charges she said. She added the five year contract runs out in 2018. Preliminary discussions include if there are too many pieces of equipment, are they located strategically in the buildings, are they efficient, the cost per machine and the cost per print. In the past the district has used a consultant for specialized purchases who would put the contract out to bid. The process is only as good as the direction given to the consultant and it is on their radar to try to shrink these costs she said.
Chairman Henry asked if there has been any progress in reducing long distance telephone costs.
Ms. Verville said she received some information about proposals from Bay Ring. Discussion included some basic plans don’t include a voice mail system, if new features are added it would be approx. the same cost as what is in the current budget, Valley View has no voice mail and the high school doesn’t have much capacity making it hard to get through to their main offices and installation of a campus- wide system to include all the schools and the SAU.
 Mr. Cataldo said he uses Bay Ring for telephone and internet and noted the price for services once set is a fixed cost “for life”. The matter is on the radar Verville said.
Page 28, 2740, Transportation Repairs- Mr. Johnson said just about every line has something encumbered and asked if there was a major problem with the vehicles.
Ms. Verville said there have been no major issues so far and that all of the encumbrances need to be adjusted. She said the encumbrances were set at the beginning of the year and have been “peeled down” as the bills have come in.
Mr. Johnson asked if it was permissible to encumber funds without an invoice.
Ms. Vervile said a year- long encumbrance is allowed as long as the invoices are properly charged to the right lines and that a mid-year analysis of the account status is conducted. The negative amount listed is expected to flip over to approx. $5,000 in savings she said.
Mr. Henry asked which van is being replaced. Ms. Verville said the 2007 van which has over 200,000 miles on it has been taken off the road and no more money will be spent on it due to the amount of rust on the vehicle. The cost for the replacement vehicle came in slightly less than expected and it will be purchased in July. Those students are being transported by using another spare vehicle Verville said.
Mr. Johnson asked about the status of the teachers’ health contract. Mr. Pfeifer said they accepted the “Yellow Plan” which netted a savings of $224,000 for the district.
Mr. Henry noted that is less than the $320,000 we originally hoped to save.
Mr. Pfeifer said the administration will have to make adjustments in next year’s budget to find additional savings, perhaps by pre-buying some items.
Mr. Johnson then asked if any staff non-renewal notices have been sent out. Mr. Pfeifer said 15 teachers and nine paraprofessionals received non-renewal notices including some who allocated to Middleton students. He said this resulted in about $850,000 in cuts but they still have to make further budget adjustments to offset the cost of teachers’ health contract.
Mr. Henry asked if the administration planned to encumber the undesignated fund balance. Ms. Verville she planned to discuss the issue with the School Board and make a presentation regarding potential fuel savings for the district. She will ask the board to approve a proposal to pre-buy fuel and do reconciliation with Irving Oil which will provide a little more security in the event there are more Spec. Ed. placements.
Mr. Pfeifer noted a flexible spending account in the teachers’ health contract allows them to deposit funds ahead of time for future needs. Ms. Verville said the staff wants that implemented in the new contract so they are looking for a third party administrator to do the paperwork. The School Care proposal includes payment of fees to take care of the claims documents as they are IRS documents. We plan to get two other proposals first for comparison she said.
Chairman Henry asked if there were any other questions from the committee. Hearing none he thanked Ms. Verville and Mr. Pfeifer for attending the meeting.
***Town Reports:***Chairman Henry welcomed Town Administrator Arthur Capello to the “hot seat” to review the town budget reports.
Page 3, Revenue from Other Governments, School Resource Officer, 01-3379-10- Mr. Johnson noted there was only 60 cents current revenue in this line. Mr. Capello said this is one of the grants which is received at the end of the year and noted the entry was an error.
Page 4, Income Fire and Ambulance ACH, 01-3401-40- Mr. Johnson asked if this is a new line item. Mr. Capello said this is a new line as the Finance Administrator is now handling this information and it will no longer be part of the Town Clerk’s report.
 Mr. Johnson asked about the source of the funds for this line. Mr. Capello said this line represents income from Frisbie Hospital, billing and insurance payments.
Chairman Henry asked if the ambulance billing was conducted through a third party now and added he thought the billing was handled in-house. Mr. Capello said the dept. uses ComStar for billing and had previously tasked an employee to perform collection duties. He told the committee that at the previous Selectmen’s meeting the board wrote off about $150,000 worth of ambulance billing that didn’t qualify to go to collection due to no patient Social Security number, the patient is now deceased or a bad address. The rest will go to collection he said.
Chairman Henry asked for the total amount that went to collection. Mr. Johnson said that approx. $300,000 worth of unpaid bills will be sent out for collection. Mr. Capello added Selectmen requested a list of unpaid bills from 2012 going back to 2009 and wrote off those charges during that time frame that are unable to go to collection. Mr. Johnson added the total amount of all unpaid bills from 2009 forward is about $500,000.
Chairman Henry noted the “big” lease ($1) for the Farmington Children’s Center is unpaid and asked when the childcare facility is billed. Mr. Capello said they will be billed at the beginning of the year.
**Actual and Budgeted Expenses and Encumbrances**:
Chairman Henry asked Mr. Capello if there was anything he wanted to highlight in the report. Mr. Capello said it is so early in this budget at this point that there isn’t much to draw a lot of questions.
Page 5, Police Dispatch and Prosecution, 01-4210-10-344- Mr. Morin questioned why there is only .81 % left in this line. Mr.Capello said this line represents a contracted flat fee that is paid all at once.
Page 6, Fire Dept. Training, 01-4220-20-243- Mr. Morin noted there is only 35% of the funding left in this line and asked if that amount will that cover the training for rest of the year. Mr. Capello said most of the members have done required training up to this point and payment for weekly and monthly training will come out of per diem coverage.
Chairman Henry asked why the Code Enforcement Officer is reimbursed for mileage when the town provides him with a vehicle. Mr. Capello said he uses his own vehicle when he goes to court or to a meeting in Concord and doesn’t take the town vehicle. He added that it’s a Code Enforcement vehicle but is accessible for others’ use.
Chairman Henry then asked if the town pays its contribution to the library all at once. Mr. Capello said monthly payments are made to the library.
**Parks and Recreation Report:**
Mr. Capello reported that Selectmen recently requested that Recreation Director Rick Conway include a monthly tally for fundraising for fireworks in his report. He said most of the money has been raised through donations and fundraising events and that the board will be looking at the RFP for a fireworks display at their next meeting.
 Mr. Johnson said many of the donations came from Women’s Club, the Fireman’s Association and town businesses. The town has been great about supporting it he said.
Chairman Henry reviewed the memo on the paint night fundraiser and noted it seems it was a popular activity as $752 deposited to the Rec. revolving account.
Mr. Cataldo asked about the progress on the Public Safety building. Mr. Capello said the town staff deserves a lot of credit for their work on the bond application. Discussion included the groundbreaking is scheduled for June 1, the permit applications have been submitted to the state, the bond goes on sale on May 20 and the town should receive the funds by July 16. Mr. Johnson added there may be a lower bond rate which would lower the tax rate by about two cents.
Chairman Henry also asked about the town credit rating. Mr. Capello said he did not know what the rate level is but noted the town has extremely low debt ratio.

**6). Old Business**: None.

**7). New Business**: None.

**8). Any Other Business to come before the committee**: None.

**9). Next Meeting**: Wednesday, May 18, 2016.

**10). Adjournment**:
**Motion**: (Johnson, second Cataldo) to adjourn the meeting passed 5-0 at 7:46 p.m.

Respectively submitted
Kathleen Magoon
Recording Secretary