Town of Farmington
Budget Committee Meeting
Wednesday, June 22, 2016

**Committee Members Present**: **Committee Members Absent:**
Stephen Henry, Chairman Stan Freeda, Sch. Brd. Rep. excused
Sylvia Arcouette, Vice Chairman Alex Morin excused
Neil Johnson, Selectmen’s Rep.
Jodi Connolly **Others Present**:
Sam Cataldo Town Administrator Arthur Capello
Elizabeth Johnson Superintendent Keith Pfeifer
 Library Trustee Linda McElhinney
 Library Director Tami Larock

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

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

**3). Public Comments**: (10 Minutes)
Goodwin Library Trustee Linda McElhinney introduced the new Library Director Tami Larock to the committee. Ms. Larock also told the members about the “Celebrity Readers” program where famous names around town read to kids. She said there are still vacancies and asked members to volunteer to be readers.

**4). Review Minutes**:
**Motion**: (Johnson, second Arcouette) to accept the minutes as written passed 4-0-2 (Henry, Cataldo abstained).

**5). Review School Reports**:
Interim Superintendent Pfeifer began the review of the school budget reports with Business Administrator Laurie Verville’s written responses to the committee’s questions about expenditures in the General Fund – Projected Year-End Report at the May 25 meeting as follows:
*Contracted Services Medicaid* (Page 6, Line 158) - this line is running a negative balance due to the way claims are processed and cleared through the Medicaid to Schools Program. The amount is covered by other contracted services.
*School Resource Officer*- (Page 10, Line 270) - Federal funding for the Cops in Schools Program is being reduced yearly and will be phased out. The town billed for the entire yearly salary and benefits which will be covered by savings from other staff salary savings. Mr. Capello added that the officer is paid through an 80/20 split between the school (80%) and the town (20%) and zero Federal funds will be available from the program next year. There is currently no other grant that will pick up this cost he said.
*Audit, Legal fees and Advertising* (Page 17, Lines 440,441,443) - Mr. Pfeifer said this line is over spent by $5,000 due to three audits. The auditing firm charges the district $14,000 for auditing services. The service will be put out to bid in 2017. Legal expenses are up due to union negotiations and personnel matters. The district has joined NH Primex in an attempt to save money on personnel matters. Advertising is up because the district posted more bids for technology equipment than anticipated and placed an ad for the food service management contract as required by the USDA.
*Principals Health Insurance* (Page 18, Line 463) – This expenditure is due to a qualifying event.
*Salaries, Custodians VVCS and Custodial Substitutes* (Page 21, Lines 525,528) – Custodial staff has been shifted around to cover cleaning the building and some of the custodians from the other buildings are paid at a higher pay rate. Substitutes must be hired when a custodian is out for any length of time such as sick leave, FMLA or vacation. The total for all custodial lines is “in the black” at $19,405.
*Water FHS Ballfield* (Page 22, Line 558) – This was an anticipated expense for the timed watering of the new ball fields last summer. The expense will be covered by the grounds/maintenance budget.
*Salaries, Special Education Transport* (Page 26, Line 687) – The increased expenditure is due to an increase in students with out of district placements who must be transported to their placements. The total of all transportation lines is a positive total of $1,800.
*Sickday Severance* (Page 30, Line 772) - The district is required to pay qualifying employees for their unused sick days per the collective bargaining agreement. Ms. Verville wrote this line has traditionally been underfunded in previous budget years.
Ms. Verville also stated that after making adjustments for revenues, accrued salaries and benefits and year-end expenditures they estimate the district will return approx. $200,000 to the town to offset the 2016 tax rate.
Mr. Capello said that at the previous meeting Mr. Freeda told the committee the district would return about $400,000 and questioned the differing projections.
Mr. Pfeifer said the district pre-purchased heating oil to off-set savings not realized knowing there may be a shortage in the budget
Mr. Henry asked about the pre-purchase of some items for next year. Mr. Pfeifer said the district took advantage of the lower fuel prices and filled the heating oil tanks with some of the savings from renegotiated health care coverage.
Mr. Johnson said the adjusted amount remaining in the budget (as of 6/15/16) is $762,578. With eight days left in the school year (as of the meeting date) approx. $300,000 is unaccounted for.
Mr. Pfeifer said this figure does not include the expenditure for oil, payment of outstanding bills and less revenue received due to less tuition taken in.
Mr. Johnson noted that the committee has not received a SAU budget report and said he would like to review the status of that budget.
Mr. Pfeifer said the final report for the SAU budget will be available next month and the committee will receive a copy of that report when completed.

**6). Update on Changes to the School Budget 2016-17:**Mr. Henry noted one of the changes since the Sept. budget is that the custodial health care plan was not renegotiated and included in the School Care’s “yellow plan” but kept on the more costly “blue plan”.
Mr. Johnson said the committee was told that all employees would be placed on the same plan level and wondered if the members were misled by the previous Superintendent.
Mr. Capello asked if the School board planned to bring forth any contracts for the 2017 -2018 School District Warrant. He said the Town Meeting Warrant will include two contracts up for renewal.
Mr. Pfeifer said the School District Warrant will include proposals for teachers and custodians contracts.
Mr. Henry asked about the estimated amount of savings expected from the change to Primex. Mr. Pfeifer said he will e-mail the information to Mr. Henry. Mr. Capello suggested the district also consider becoming a Prime member with Primex to receive an additional 1.5 % savings.
Mr. Johnson asked if the School Board planned to keep Mr. Pfeifer on as Superintendent until a replacement is found.
Mr. Pfeifer said he is “all done” but he is available per diem if needed. Mr. Capello then suggested Mr. Pfeifer should be a member of the interview committee tasked with finding a replacement Superintendent.
Mr. Pfeifer thanked the members and said they were a pleasure to work with. He then left the meeting.

**7). Review Town Reports**:
In response to Mr. Morin’s question at the previous meeting about why the Fire Dept. did not have a gasoline line in their budget, Mr. Capello said the previous Fire Chief put costs for oil, diesel and gasoline all in one line to encompass all of the dept.’s fuel needs. He said this information will be broken out into separate lines in next year’s budget.
***Remittance Report***- There were no questions or comments about this report.
Mr. Capello then reminded everyone that the groundbreaking ceremony for the new Public Safety Building will be held on site on Friday, June 24 from 2 p.m. - 4 p.m. Sen. Cataldo will provide a proclamation and a NH state flag for the event.
***Actual and Anticipated Revenues Report***- Mr. Capello said most of the revenues in this report were pretty much in line with what was expected.
*Town Overlay* (Page 5, Line 01-3509-08) – Mr. Capello said this account which is used to cover abatements of property taxes was budgeted at $20,000 but the line is currently over by about $7,000. He said the over expenditure is partially due to clerical errors that occurred during the conversion from assessment system to another. Mr. Johnson added the errors were committed by the previous assessor who over valued some properties that should have been assessed at a lower value.
***Actual & Budgeted Expenses & Encumbrances Report***- Mr. Capello told the members that the town is “doing well” as we are about half way through the budget year and approx. 70% of the budget is left. He said the dept. heads have done a wonderful job of sharpening their pencils and managing their budgets.
 He added that the town now has a credit card and receives a 1% rebate for expenses paid with the card.
*Culverts and Catch Basins* (Page 8, Line 01-4312-30-740) – Mr. Johnson asked why this line is over spent by about $750. Mr. Capello said this was due to the replacement of split or collapsed culverts found during cleaning.
*Public Safety Building Update*- Mr. Capello said the project has a $2.363 million guaranteed maximum price and is currently $120,000 under budget. The interest rate for the bond is 2.16% over a 15 year note. The town is expected to receive the money for the project on July 16 he said.
Ms. Connolly asked when the construction of the foundation will begin.
Mr. Capello said the foundation work is scheduled to begin on July 12.
Mr. Cataldo asked what is happening with the current fire station site.
Mr. Capello said an RFP for a survey of the three fire station lots has been posted. Selectmen have discussed putting the property up for sale but no final decision has been made he said.

**8). Old Business**: None.

**9). New Business**:
Members were asked to review their current contact information and make any corrections necessary and to note if they didn’t want their information published.

**10). Public Comment** (10 minutes): None.

**11). Next Meeting**: Wednesday, July 27, 2016 at 7 p.m.

**12). Adjournment:** **Motion**: (Cataldo, second Connolly) to adjourn the meeting passed 6-0 at 7:45 p.m.
Respectively submitted
Kathleen Magoon, Recording Secretary