

Town of Farmington  
Budget Committee Meeting Minutes  
Public Hearing on Proposed School Budget  
Thursday, January 10, 2019

**Committee Members Present:**

Sylvia Arcouette, Chairman  
Jodi Connolly, Vice Chairman  
Stephen Henry, Secretary  
Neil Johnson, Selectmen's Rep.  
Angie Cardinal, School Board Rep.  
Tim Brown  
Samantha Place  
Jason Lauze  
Heidi Mitchell  
Elizabeth Johnson

**Committee Members Absent:**

Charlie King, excused

**Others Present:**

Ruth Ellen Vaughn, SAU Superintendent  
Bruce Bridges  
Blanche Tanner  
Jen Lowton, Technology Director  
Larry Gordon, Facilities Director  
Jessica Richardson, HWMS Principal

**1). Call to Order:**

Chairman Arcouette called the meeting to order at 6:30 p.m.

**2). Pledge of Allegiance:**

All present stood for the Pledge of Allegiance.

**3). Public Comment:**

Chairman Arcouette said she received an e-mail from a resident stating they could not hear the speakers at the previous meetings at home. She asked the members to please speak directly into their microphones so they can be heard by the viewers at home.

**4). Public Hearing on School Budget:**

Chairman Arcouette opened the public hearing at 6:35 p.m. and asked if there were any questions.

Blanche Tanner said most of her questions were regarding the biggest portion of the budget which has to do with salaries and benefits and while she was not necessarily debating that number she would like to know the number of people in certain positions.

She asked for the number of teachers proposed at each of the 3 schools.

Mr. Johnson gave Ms. Tanner a copy of the list of district employees the committee received previously and said it may answer most of her questions.

Page 22, Line 392, Equipment Nurse-FHS (\$577 requested) Ms. Tanner said she was concerned about the nurse beds because with a budget of \$16 million we could come up with \$2,000 for beds and not buy 1 bed one year and one bed the next year. She said as taxpayer she would

almost be willing to pitch in the \$577 for a bed. She said it is ridiculous in a budget this size and asked the members to think about it.

Ms. Tanner then asked about the condition of the nurse's beds at VVCS and HWMS.

Mrs. Vaughn said they were in better shape than the beds at the high school.

Page 45, Line 881 Salaries, Videographer/Tech (\$31,109 salary requested) Ms. Tanner asked about the purpose of Channel 25 and if most of the purpose of the channel was promote student activities as opposed to the School Board activities.

Mrs. Vaughn said it is a school channel and promotes all things school but the School Board meetings are part of that.

Ms. Tanner said it would be helpful for people in the community who don't have internet if the meetings were shown more often and the agenda and meeting days were posted on the channel the way Town board meetings and agendas/meeting notices are shown on Channel 26.

Mrs. Vaughn said there has been an on-going discussion with Atlantic Broadband about the quality of the audio. She said the company was back at the school that day looking to see what may or may not be working. They have discovered that the problem is intermittent which makes tougher because it behaves when the technicians are there to fix it. We are still looking to see what else needs to happen and we are not ignoring it she said.

Mrs. Place said the budget as written right now is a \$330,000 increase over last year. She said she is a big advocate for the school but when they hear let's just pay another \$2,000 for another bed when we are already looking at an increase of \$330,000 just to function that staggering the beds makes perfect sense to her.

Bruce Bridges said he knew of a student that for the first part of last year went to the Maine state line to meet the bus and then during the second half of the year they picked him up at his house in Lebanon and asked where that money was coming from. We could find money for stuff if we were not doing stupid stuff like that he said.

Mrs. Vaughn said that instance was part of a federal requirement where if a student loses his housing in Farmington and is in another town the district is required to maintain that student here.

Mr. Bridges asked why that student isn't here this year.

Mrs. Vaughn said she could not discuss an individual student and his housing situation.

Mr. Bridges said he knew the student and his situation and that our tax money should not be spent this way. If there is one instance there are probably more incidents of this he said.

Mr. Henry said he believed there is a regular schedule to re-air the School Board meetings. He said they use to be re-aired at certain times and asked if they are now shown randomly.

Mrs. Vaughn said she did not believe it is randomly shown but that she did not have the schedule with her. She said she would find out.

Mrs. Johnson said the channel guide with the day and time the meetings would be aired used to be on the website and asked if there was a reason why it disappeared a few months ago.

Mrs. Vaughn said she was not aware of a reason and would look into it.

Page 45, Line 879 Salaries, Technology Director, \$76,500 proposed – Mrs. Vaughn said there was a comment that this amount is an 18.91% increase but that actually this is a 2% increase over the current salary for the position. She said the budgeted number was for the former Tech Director and wanted to make it clear that the Tech Director is not receiving an 18.9% raise. Mrs. Place clarified that the budgeted number was for a former employee in that position and someone else was hired for the position at a different rate which isn't reflected in the budget. Mrs. Vaughn said that is correct.

Chairman Arcouette asked how the committee wished to proceed with the review of the budget and the warrant articles.

Mrs. Vaughn said she had the petitioned warrant articles that were submitted, that there is a change to 1 article, a new article has been added and she is in the process of finalizing one other piece with the Dept. of Revenue Administration (DRA) so she was not going to ask for a final vote on all of the articles at this meeting.

Mr. Brown said one of the motions they talked about at the Public Hearing was regarding federal and state grants and he suggested they incorporate a \$1 line item in each budget code for matching grants. We have Homeland Security money that is available and we didn't budget for matching funds. If we had that \$1 in there the School Board would have the option of looking within the existing budget to fund that now versus the next year. He asked for help with which of the budget section codes would apply.

Mrs. Vaughn it could be done by the major object codes such as 1100, 1200, etc.

Mr. Brown asked for the number of object codes in the budget and the correct legal definition of "object codes".

Mrs. Vaughn suggested using the object codes listed on the MS-27 form and that there are 17 object codes listed on that form. She said they are referred to as the general fund accounts.

**Motion:** (Brown, second E. Johnson) to increase the bottom line of the budget by \$17 placing \$1 in each of general fund accounts for the purposes of matching grants;

**Discussion:** Mrs. Cardinal said that she brought Mr. Brown's suggestion to the School Board and that the board appreciates that forward thinking. She said the board thanks Mr. Brown for the suggestion and absolutely supports it if this committee chooses to do so.

Mrs. Vaughn said the general fund account numbers are: 1100-1199(regular programming), 1200-1299 (special programs), 1300-1399 (vocational programs), 1400-1499(other programs), 1500-1599(non-public programs) 1600-1699(adult continuing education programs), 1700-1799(community junior college education programs), 1800-1899(community service programs); Mrs. Vaughn said there are no programs in the 1600-1800 general fund accounts at this time. She continued listing the accounts as follows: 2000-2199(student support services), 2200-2299(instructional staff services), 2300-2399 (executive administration), 2400-2499(school administration service), 2500-2599(business), 2600-2699(plant operations and maintenance),

2700-2799(student transportation) and 2800-2999(support service central& other).

Mr. Henry said that all of the lines in the 1600 general account have been zeroed out and questioned if \$1 should be put in those lines in the event something changed.

Mrs. Vaughn said they could put the \$1 contingency in the account and then go back and revisit the individual lines later.

**Vote:** The motion passed unanimously.

**Page 18, Community Education, \$0 proposed** - Mr. Henry said they haven't done anything with this section for a few years and because of that it was zeroed out. He said he thought it is better to leave \$1 there especially if the district were to get a grant as they couldn't pay anyone with the lines zeroed out. If we were to put \$1 in each of those lines it would cost \$7 he said. Chairman Arcouette asked why the section was zeroed out.

Mrs. Vaughn said it was because it hadn't been spent and they were unable to generate any interest in the program at that point. She said it would be wonderful if this changed.

Mr. Henry asked if it has ever been an active program.

Mrs. Vaughn said when she first taught at the high school her classroom was used for adult ed.

**Motion:** (Henry, second Cardinal) to set all of the lines in the 1600 section for Community Education to \$1 from zero dollars for a total of \$7 on the bottom line;

**Discussion:** Mrs. Vaughn said this would include lines 309-315.

**Vote:** The motion passed 9-1 (E. Johnson, Brown, Cardinal, Connolly, Henry, Arcouette, Place, Lauze, Mitchell-in favor; N. Johnson opposed).

### **FY 20 School District Budget:**

**Page 2, Line 24 FICA Reg. Ed., HW- Note: Decrease of 1 teaching position-** Mr. Brown said the loss of a teaching position was based on student population and asked if there has been any review on the loss of the position as far as delegating other duties to that person or anything that could be done as far as increasing assistance to the at-risk students coming from VVCS to HWMS or if the administration and the School Board are okay with losing the position.

Mrs. Vaughn said she would rather not lose a position and they considered if the position could become an interventionist or with a focus on math. She said that class is small but has some larger needs and that she would endorse seeing the position come back.

Mr. Henry asked if the reduction in the positions was an administration or a School Board decision.

Mrs. Vaughn said it was a School Board decision.

Mr. Henry asked for some feedback from the School Board on the reason for this decision.

Mrs. Cardinal said if he referenced the motion and discussion from the 11/18/18 School Board meeting the question was asked of the administration if the class sizes were reviewed and the answer was no. Then looking at the size for each grade in terms of the number pupils and the class sizes across all of those grades it stood out that the class of 2028 was a much smaller group of students than all of the other classes so the class size for those classes broke out to 14-

15 students each. All of the other grades had 4 classes (before changing class per subject) of approx. 18 students. If you reduce it to 3 classrooms for the class of 2028 they will share the same 18 students per teacher ratio she said.

Mr. Brown asked for the number that the budget was decreased by for that position.

Mrs. Cardinal said the salary and benefits amounts to approx. \$45,000.

Mr. Brown said when we have an elementary school with certain aspects that are in need of improvement and a 3 year period of population differences it gives us an asset to try to get their scores up if there is a credible program put in place that can benefit our kids. I think it's a loss and I don't agree with the cut he said.

**Motion:** (Brown, second Henry) to increase the bottom line by \$45,000 for the purposes of replacing the teacher's salary and benefits;

**Discussion:** Mr. Lauze said that usually he would prefer to put the money back in but in this particular case the School Board is responsible for governing the school and the need for teachers and the educational components. If they are saying that this is an opportunity for us to save a little bit of money or put money back into the budget to be spent elsewhere by eliminating something they don't feel they need I don't see why we should tell them we want them to spend that money. I would be opposed to it he said.

Mrs. Connolly said she was also opposed to idea for the same reasons.

Mr. Henry asked Mr. Brown at what point it would be okay to reduce staffing when the student population goes down.

Mr. Brown said he agreed with reducing the budget for a teacher however if you look statewide at our school numbers, our school numbers aren't the greatest. Our population changes for 2 years. I'm looking at this position as does it give the administration the opportunity to look at an out of the box solution to come up with a program that will raise these scores and help educate our kids. I don't agree with the cut for a 2 year period he said.

Mrs. Place asked if the 2 year period was the amount of time before the students begin changing classes for each subject. She said the class is a reduced class size which will last all the way through 12<sup>th</sup> grade. We are not going to have this big influx so a reduced class size needs fewer teachers. I understand the concept you're saying-let's use that money to do something to make it better but we don't have to do that in the form of teacher. There are lots of things that we can add to this budget that isn't necessarily funding 1 teacher position. If the School Board feels this is a good way to save \$45,000 off an already increased budget I'm going to support them on that she said.

Mr. Lauze agreed that there are areas that need improvement but the School Board are the people we entrust to put a plan and the people in place to improve those things. If they feel they can make those improvements with or without that position then they ought to get rid of it he said.

Mr. Brown asked Mrs. Vaughn is she had any input prior to the cut being made.

Mrs. Vaughn said it was brought up from the floor in the discussion of the final budget and that she had no input in that discussion.

Mr. Henry asked Mrs. Cardinal if she recalled what the vote was on the School Board's motion with the number of in favor and opposed votes. If the budget is increased there is no assurance that the money will be used in any the ways suggested by Mr. Brown. He said has heard comments about the district bring a labor-heavy district so if they are watching the labor that is encouraging.

Mrs. Cardinal said she believed it was a unanimous vote by the School Board to cut the teacher position. She said this is a 1 year budget so while we don't have a checklist of what the administration looks at when they propose their respective dept budgets and for Superintendent's final review, class size is an aspect of the preparation so that's something that will have to be looked again next year. If we do have an influx of students come in for the class of 2028 we'll have to take another look at it with the fifth grade class sizes. The deliberation during the (School Board) motion was with the hope that if any teachers were to leave of their own recognizance they wouldn't have to replace an individual. We wanted to make it clear this isn't about eliminating a specific individual in any grade level or any building but is about right sizing the staff in support for the students that are currently here she said.

Mrs. Connolly said she looked back at her records from last year and found a note that says there were 888 students in the school and this year there are 860 students. We have lost 28 students in 1 year and that is more than 1 teacher according to class size she said.

Mr. Brown moved to call the question.

**Vote to move the question:** The motion passed 9-1 (in favor- E, Johnson, N. Johnson, Connolly, Place, Mitchell, Cardinal, Arcouette, Lauze, Brown; opposed-Henry).

**Vote on Mr. Brown's motion:** The motion failed 1-8-1 (in favor- Brown; opposed- E. Johnson, N. Johnson, Connolly, Henry, Arcouette, Place, Lauze, Mitchell; abstained- Cardinal).

There were no questions on pages 2-9.

Mrs. Cardinal called point of order and said that this process is ridiculous.

Chairman Arcouette asked if anyone had a proposal on any line item and if so to state the page and line number.

**Page 15, Line 264, Salaries, Athletic Extra Curr. - (\$7,110 proposed)** Ms. Tanner asked if this was for 1 or more positions.

Mrs. Vaughn said this represents multiple stipends for coaches.

**Page 15, Line 265, Salaries Athletic XTRA Curr. - (\$31,233 proposed)** – Ms. Tanner asked if this is all for coaches at the high school.

Mrs. Vaughn said that is correct.

Mr. Lauze said that a lot of the coaches outspend their own budgets out of their own pockets. He said on paper it looks like more than it actually is.

Mrs. Vaughn said the stipend amounts are set by the CBA.

Ms. Tanner said she was a teacher for 30 years and understood how teachers and coaches put their own money in so she was not questioning the amount for coaches. She clarified that she just wondering if it was all for coaches.

Mr. Lauze said he was not trying to rebut Ms. Tanner but was explaining to people who look at the \$30,000 number for coaches so they understand that it is a lot less than what it looks like.

Mrs. Vaughn said the stipends are available for anyone that wants to see it and are in the salaries/benefits section of the budget binders given to the committee.

Page 28, Line 499, Salaries, School Board (\$13,500 proposed, \$2,700 ea. member) Mr. Brown said there is a significant difference in the stipends paid to the Selectmen and the stipends paid to the School Board. He said members of both boards sit on multiple committees and asked if there was a reason for the increase in the stipend to the School Board. He said the Selectmen receive a \$2,000 stipend while the School Board receives about \$2,500 each.

Mr. Johnson said it has always been that School Board members receive a larger stipend than Selectmen but he did not know why.

Mrs. Vaughn said their stipend has not increased recently.

Mrs. Place (whose husband is Selectman TJ Place) said she felt both stipends are laughable in that they are both so low for the amount of work put in by the board members.

Page 46, Line 896, Cell Phones, District (\$8,400 proposed) Mr. Brown said he watched the last School Board meeting and there was a lot of discussion about cell phones. He asked for an explanation of the changes in the district's cell phone budget and if lines are being combined, how many cell phones are district paid and if any of them are required by a CBA.

Mrs. Vaughn said none of the cell phones are part of a CBA requirement. She said that this year they put things in a single line as a single payment so that there is a one oversight rather than to have separate bills for each dept. The total has increased from \$7,700 to about \$8,400 this year because the E-rate discount (discounted telecommunications and internet access for schools and libraries) has ended and the district had to change plans because the previous plan was an old government plan that was no longer available to them she said.

Mrs. Vaughn said the cell phone budget lines that were aggregated into Line 896 were formerly in code 10-2300-53311-70 and the data centers are 2320, 2400 for VVCS, HWMS & FHS, 2620, 2700 and 2820. The line they got lumped into looks like it has increased a lot and there is an increase but it is not a 216% increase she said.

Technology Director Jen Lowton said there are 14 cell phones paid by the district.

Mr. Henry said that averages out to \$50 a month per phone.

Mrs. Vaughn said one of the reasons to having the phones together is it gives them the ability to monitor those phones if there is a RSA 91-A request or things that come in as they are part of a district package that they manage. Before, they were separated out it and it was difficult to go back and trace anything so this change was for the governance plan as well she said.

Mr. Brown asked how many of the 14 phones would be on the school emergency responders or



safety committee members.

Mrs. Vaughn said there is an emergency phone in each office.

HWMS Principal Jessica Richardson said building administrators have flip phones for emergency use and the sub-calling lines are on their own phones. These phones are not something we use daily to text each other from building to building she said.

Mr. Brown said at the school level if they have safety committee members that are on an emergency response team they are eligible for First-Net at \$40 a month. He said when you multiply the \$10 a month savings over 14 phones in 1 year that is a savings of almost \$2,000. He said he didn't think they were getting the best prices for the phones and added that First-Net is a government program with safety teams at the top of the list for service and also includes unlimited data with their phones.

Chairman Arcouette asked if there were any more questions on the school budget from the committee or audience members. Hearing none she proceeded to close the Public Hearing.

Mr. Brown called point of order and said there is 1 petitioned warrant article that hasn't been presented to the committee and if the Public Hearing is closed the committee can't vote on that warrant article. He suggested keeping the Public Hearing open so the committee can review and vote on the outstanding warrant article on the Jan. 14 snow/continuation date.

Chairman Arcouette then closed the public comment portion of the hearing at 7:20 p.m.

#### **Draft 2019 Warrant Articles:**

Article #3 Operating Budget - Mrs. Vaughn said that the numbers for Article #3 are not solid because the number that comes from tonight is the actual number that will be used for warrant article. It is a gross appropriation budget and what the committee received and has received in the past was fund 10 which has been gone through. She said that in the absence of a Business Administrator (BA) she has spent time with DRA trying to make sure that the gross appropriations are correct and that includes the food service and the federal funds. At this point what is in the DRA portal is not showing the offset for the revenues with the gross appropriations so if you just look at net change it is a little bit concerning. She said this is not a "done deal" and that she is still working with DRA because her knowledge of the portal is somewhat limited and she is on a steep learning curve but getting there. I'm hopeful that we'll have a B. A. candidate soon she said.

Mrs. Vaughn said the rest of the articles have been voted on by the School Board and are ready for the Bud Com to review.

Article #1, Election of District Officials- Mrs. Vaughn said this article will not be filled in until the filing period deadline has passed.

Mrs. Vaughn said the numbering of the articles has shifted slightly because the money articles have been put together.

Article # 6, Bus Capital Reserve Fund (CRF) – Mrs. Vaughn said the purpose of this article is see if the school district will vote to raise and appropriate \$77,000 to be added to the School Bus



CRF previously established in 1992 for the purpose of purchasing new buses when the need arises. The estimated tax impact for this article is 17 cents.

She said with the last 3 leases the district has done the interest rate has risen each time. The effective rate was about 4% and the last one was at 6.5%. If we were to raise and appropriate the funds for a bus for this year and for a bus next year we won't need to purchase a bus for this year but we will need a couple of buses in a couple of years. Once we get on that cycle we could probably raise and appropriate about a half of a bus each year she said.

Mrs. Vaughn said the district would be projected to save, this current lease adds about \$10,500 to the cost of the 2 buses together, so we would be looking at about \$5,500-\$6,000 per bus at current rates. The advantage to a lease is it is spread out over time and people don't see it as much but it is still money being raised and appropriated that is going into a banker's pocket. The School Board felt this was reasonable to put before voters to see if this is the way they want to go.

Mr. Henry said the amount in the article is not half of a bus and is almost a whole bus.

Mrs. Vaughn said the \$77,000 is the full cost of a bus and they would like to raise the funds for a full bus this year and the funds for a full bus next year and then purchase the 2 buses in the following year. Thereafter we would be on track to raise half of the funds for a bus each year she said.

Mr. Henry said his idea in pushing for this fund was not to change when the buses would be purchased but was to get away from leasing. Those rates that you quoted are a lot higher than the number I remember being given every time I asked what the rate was he said.

Mrs. Vaughn said those are the effective rates. The interest that was quoted is on there and she inquired as to why they were paying more and learned that the effective rate is more.

Mr. Henry recalled he was told the interest rate on the lease was under 2%.

Mrs. Vaughn said the last one was listed at just over 4% but when she looked at the amount added to the purchase price the effective rate is 6.5%.

Mr. Henry added that he would have "squawked" a lot more if he had been given those rates.

Article #7, Safety and Security – this article seeks voter approval to raise and appropriate \$90,000 from the Capital Improvement and Renovations Trust Fund to make security improvements to all 3 school lobbies(\$55,000) and to renovate/replace lockers at HWMS (\$35,000) and to appoint the School Board as agents to expend the funds.

Mrs. Vaughn said this article has been altered since the committee last saw it. The School Board asked to become agents to expend the Capital Improvement and Renovations Expendable Trust and has added the purpose for the expenditure (as stated above) she said.

Mrs. Place asked where the new lockers would be installed.

Mrs. Vaughn said some of the lockers in the 7<sup>th</sup> & 8<sup>th</sup> grades hallway and the 6<sup>th</sup> grade hallway would be renovated or replaced.

Mr. Johnson asked if Article #7 has been reviewed by the DRA.

Mrs. Vaughn said that it has been reviewed by DRA.

Mr. Johnson said DRA rejected the Town's warrant article last year as being multi-purpose because it combined a deposit and a withdrawal.

Mrs. Vaughn said the article is not a deposit but is a withdrawal from the fund.

Mr. Johnson said the article still has 2 separate purposes as it calls for withdrawing money and changing the agents to expend.

Mrs. Vaughn said DRA allowed this last year as well.

Mr. Johnson said it might be prudent to separate them as DRA approved the Town's article too and then upon review after the article passed they rejected it and the Town had to have a Public Hearing on the matter.

Mrs. Vaughn said it was a good thought and thanked Mr. Johnson for the suggestion.

Mr. Henry said he knew that lockers secure items but asked how they fall under "safety and security" expenses.

Mrs. Vaughn the lockers come under safety as they are unsafe in the condition they are in.

Mr. Henry asked how the lockers are unsafe.

Facilities Director Larry Gordon said that a lot of the units are coming away from the wall and the interiors are shot, the sides are loose, doors don't shut and there are sharp edges.

He said he received an initial quote that day and the company proposed removing all of the lockers that are in the walls, replace them with a bigger size locker in the 7<sup>th</sup> -8<sup>th</sup> grade hall and standing lockers in the 6<sup>th</sup> grade hall.

Mr. Henry said he was not disputing the need for lockers but when he sees a fund for safety and security he doesn't think lockers or broken or bent furniture. Those are safety issues but it is a stretch to use this fund money for that he said.

Mrs. Vaughn said this fund is for renovations and improvements. The article is titled "Safety and Security" but it is not a safety and security fund she said.

Mr. Henry said his concerns were alleviated.

Mr. Brown asked for the balance of this trust account.

Mrs. Vaughn said as of July 1, 2018 there was \$126,944.63 in the trust account.

Mr. Johnson said that as of Oct. 30 the trust account had \$126,772.

Mrs. Vaughn said she would double check the amounts with the Town Clerk.

Mrs. Vaughn said the committee has seen Articles 8 -13 and they have not changed other than their numbers. They all need to have the School Board and Bud Com recommendations added to the article she said.

Articles #8, #9 and #10 seek to appoint the School Board as agents to expend funds from the FSD Construction and Renovation CRF, the FSD Buildings and Grounds CRF and the FHS Construction, Renovation and Repair CRF.

Article #11 seeks to raise and appropriate up to \$100,000 from the June 30 fund balance to be

deposited in the Special Education Expendable Trust.

Article #12 seeks voter approval to raise and appropriate up to \$100,000 from the June 30 fund balance to be deposited in the FSD Technology Expendable Trust Fund.

Article #13 is to see if the voters will approve raising and appropriating up to \$25,000 from the June 30 fund balance to be deposited in FSD Buildings and Grounds CRF.

Mrs. Vaughn said the 2 petitioned warrant articles which were received the previous Tuesday are as follows:

Article #14- seeks to discontinue School District Health Insurance Trust Fund (\$55,120) as it has been unused for over 12 years and to place the funds in the school district's general fund at the end of FY 2019-2020 for the purpose of reducing the tax rate.

Mrs. Place asked for the original intention of the fund.

Mrs. Vaughn said it was established in 2006 when the district had a health insurance increase of over 18% which was tough to take with a CBA being done at the same time. It was established as an offset in the event that the district had another large jump so those funds could be accessed as a buffer. Since then we haven't had another large jump and have had reductions over the last 2 years she said.

Mr. Henry asked if they increased the fund somewhat with the uncertainty around what Obama care would do.

Mr. Johnson recalled that during the first few years after the fund was established that nothing was deposited in it.

Mrs. Vaughn said it was established with less than \$30,000 and that a little more was deposited since then.

Mr. Johnson said there was a deposit made in 2012-2013 based on the penalty surcharges with the Obama care "Cadillac Plan". That is the last time a deposit was made to this fund he said.

Mr. Brown asked if all of the warrant articles and the School Board budget as presented passed with the increases that were made tonight what the tax impact would be to the taxpayers.

Mrs. Vaughn said she is still looking at the revenue offsets with DRA for Article #3 so that is not finalized yet. She said she asked about how the revenues have been added in and why the offsets used in setting the tax rate are not being shown and is still awaiting an answer. I want to make sure I have that answer before I give you what the tax rate would be she said.

She said that if she were to provide an answer based on no revenue offsets the tax rate would increase by \$1.15 but it will be less than that.

Mr. Brown asked if she would have the information by the next scheduled meeting (Jan.14).

Mrs. Vaughn said she will have the information for that meeting if she had to drive to Concord the next day to get it.

Mr. Henry said that Article #14 states the money from the fund would go into the general fund and asked if it would potentially become part of the undesignated fund balance to fund other warrant articles.

Mrs. Vaughn said that it could. If it goes into the general fund she can't earmark it and it could potentially hit those other funds she said.

Mrs. Connolly said the default budget isn't included in budget binders given to the committee. Mrs. Vaughn said the default budget was given to them as a separate report at a previous meeting.

Article #4- Fuel Oil – seeks to raise and appropriate \$132,000 to purchase fuel oil for SY 2019-2020 in the event that Article #3 fails and the default budget becomes the operating budget.

Mrs. Connolly asked about the wording of this article.

Mrs. Vaughn said the default budget only includes \$1 in each of the fuel oil lines because that is what is in the current year's operating budget.

Mr. Henry asked if because there is \$1 in those lines they are not prevented from buying oil if the default budget passes.

Mrs. Vaughn said that is correct and this would allow then to expend from those lines as they are written and not have to cut \$132,000 out of the budget somewhere else to buy oil.

Mr. Henry said if this article and the default budget pass it adds up to more than the proposed operating budget.

Mrs. Vaughn said that is correct and is because the default budget includes pieces that carry forward because they were expensed last year such as if there is a position where there is a cheaper person in that position now, but the salary carries forward into the default budget as it was set.

Mr. Henry said that salary money could be used to buy oil.

Mrs. Vaughn agreed but said she didn't have anyone who was that expensive.

Mr. Henry said he did not understand how the default budget and Article #4 can add up to more than the proposed budget.

Mrs. Vaughn said the proposed budget is not the same as operating budget as it contains those pieces allowed by law and by contract. There were pieces we cut from the operating budget that bring it below so the default budget would be raised higher than that with the amount for the fuel oil she said.

Mr. Henry said they spend the default budget largely like the proposed budget.

Mrs. Vaughn said that they could with certain changes to the line items that have been shifted.

Mrs. Cardinal said it may help to point out that they are in the third year of the current teachers' CBA and that carried a greater salary increase than what you see in the overall budget increase for the proposed operating budget. Because it was contractual and approved by the voters for a 3 year period it carries over into the default budget she said.

Mr. Henry said with some restrictions, the default budget could be spent like the proposed operating budget and that they would have almost all of the money for oil that is in the proposed operating budget. He said he did not understand why Article #4 plus the default budget is more than the proposed operating budget.

Mrs. Place asked if the default budget is the essentially the same as the budget currently being used and it is just carried over.

Mrs. Vaughn said it is the numbers we have plus anything that is required by law, that is contractual and that has been previously obligated by action of the School Board. Those pieces increase the budget she said.

Mrs. Place asked if the proposed budget fails and they go to the default budget that means we don't give you the funding for all of the technology requirements the district is supposed to do.

Mrs. Vaughn said that is in the default budget because it is required by law.

Mrs. Place said there are all kinds of things in the proposed operating budget that won't be there (in the default budget). She said Mr. Henry's point was that he wants them to just pull money together for buying oil but there will already be money missing from all kinds of lines with the default budget.

Mrs. Vaughn said that is correct.

Mr. Henry said if they consider the proposed operating budget "making them whole" and it does not pass then in theory Article #4 would make them whole again and bring them back up to the proposed operating budget. However this brings them above the proposed operating budget making them more than whole and that is what he is struggling with he said.

Mrs. Cardinal said this is the same thing the district had last year when the bottom line of the default budget was higher than the proposed operating budget bottom line. She said that says to her that all of the right changes are being made in the proposed budget.

Mr. Henry asked if then somebody decided to create Article #4 to give them extra money.

Mrs. Cardinal said it was for the purpose to raise and appropriate money for fuel oil.

Mr. Henry said that is above and beyond what the district believes it needs.

Mrs. Cardinal disagreed and said it needs more than \$1 to heat buildings.

Mr. Henry said they are not limited to \$1 to heat the buildings.

Mrs. Cardinal said that would be the case if the default budget passes.

Mr. Henry asked Mrs. Vaughn if the default budget passes if they couldn't spend more than \$1 on heating oil.

Mrs. Vaughn said there is \$1 in those lines and she will have to take from other lines to purchase the oil. I am allowed to make the transfer but something else will not be done if that transfer happens she said.

Mr. Henry asked if the number in Article #4 were changed to be the difference between the proposed budget and the default budget so that the dollar amount is the same if Article #3 fails and Article #4 passes what would be different for the district.

Mrs. Vaughn said there are differences in positions in the operating budget that are not in the default budget such as secretarial positions and an additional Life Skills position.

Mr. Lauze said if we end up with the default budget which is \$16,933,908, and then another \$132,000 is added for the fuel oil it is still less than the proposed operating budget not more.

Mr. Henry said it wasn't less when he ran the numbers on the draft budgets.

Mr. Lauze said this with proposed budget the number is less. He said when you add the default budget with the amount in Article #4 (\$16,933,908 + \$132,000) the total is \$17,065,908. He said Mr. Henry is off by about \$100,000 and is not making them whole but is making them \$100,000 short.

Mrs. Place said the proposed operating budget is \$231,000 less than the default budget. The cost for the oil is \$132,000 so that does not exceed it.

Mr. Johnson asked if numbers for the default budget or the operating budget changed since Mr. Henry received them.

Mrs. Vaughn said the differences are with the food service and the federal funds that she is still working on with DRA. The pieces you saw for Fund 10 both for the general operating budget and the default budget have been entered in the DRA portal as you have seen them she said.

Mr. Johnson said then the \$17 million amount has not been finalized yet.

Mrs. Vaughn said that is correct.

Mr. Johnson asked if the \$16,933,908 figure for the default budget has been set.

Mrs. Vaughn said maybe because part of that is also on the revenues that are the offset because that is also gross appropriated and that is what she doesn't have answers on yet.

Mrs. Connolly asked if those totals could be higher or lower than what is shown on the draft warrant.

Mrs. Vaughn it could be higher because she is making sure that all of the right revenues are in there that should be in there. She said she needs to show the revenue offsets to the gross appropriations and right now the offsets are not matching but she hopes to have it nailed down quickly.

Mr. Brown requested that when they meet at the continuation of this Public Hearing that they be provided with a breakdown of the difference between the number in Article #3 and what they have been presented with for the school district budget as you can't appropriate money that hasn't been discussed at the Budget Committee level with a brief synopsis of what it's being spent for.

Mrs. Vaughn said what has been discussed in the years she has been here has been Fund 10.

Mr. Brown agreed but when he looked at the operating budget and what was in Article #3 he questioned that and there was explanation. Last year we didn't do that he said.

Mrs. Vaughn this is what she plans to have for the committee and the section totals in operating budget will match up with what is in the default budget which will also be provided to the committee.

Mr. Brown said he didn't think the Bud Com could change the numbers in the warrant articles as that is for the Deliberative Session. He said he was having a hard time coming up with a motion to vote on anything not knowing the tax impact and that without any appropriations on the school side the tax rate from where we are today will go up approx. \$2.08 per \$1,000

valuation. He said he would like to look at the big picture while they are voting and made the following motion:

**Motion:** (Brown, second Lauze) to continue tonight's meeting to the snow date for further deliberation and a vote;

**Discussion:** Mr. Johnson asked if Mrs. Vaughn thought she would have the answers by Monday and that there is another opportunity at their regular meeting on Jan. 23. He said he didn't think there was much more discussion and that the warrant articles can be voted on at any time. We need the final numbers on the budget itself before we do anything. We can't count on the DRA to have it done by Monday and an option is to take a half hour on the Jan. 23 and do it during our regular meeting he said.

Mr. Henry said he liked going into the Deliberative Session with the committee's recommendations on the warrant articles even if they change them afterwards. He said he didn't have an issue with waiting to the Wed. meeting but wanted to make sure they vote before the Deliberative Session.

Mrs. Vaughn said because of a vote taken several years ago the recommendations of the School Board and the Budget Committee are required to be included on the warrant articles.

Mrs. Cardinal asked when the draft of the warrant would need to be made available to the public before Deliberative Session.

Mrs. Vaughn said Jan. 24 is the final day for the Budget Committee to deliver the budget and warrant article recommendations to the School Board for posting. The warrant must be posted by Jan. 28 she said.

Mr. Lauze said he agreed with Mr. Johnson and withdrew his second to Mr. Brown's motion.

**Amendment to the motion:** (Brown, second N. Johnson) to continue the Public Hearing to Jan. 23 at 7 p.m. and to authorize the Secretary of the Budget Committee to post the meeting if required by law;

**Discussion:** Mrs. Cardinal said she did not think they could call it a Public Hearing if it has not been published that way with due notice.

Mr. Brown said that would be correct if they were to call a new meeting but that they could continue this meeting to any point in time.

Mrs. Cardinal said she agreed if it was for a meeting but wasn't sure if that could be done for a Public Hearing.

Mrs. Vaughn said last year's hearing went on for several hours and was continued to another date that hadn't necessarily been posted but was when everyone could come back.

Mrs. Cardinal said it was continued to date that had been posted as part of the normal notice that was in the newspapers. The laws are very specific to hearings and I don't think we need a hearing to vote on the warrant articles.

Mr. Brown said the problem is that once you close a Public Hearing you can't add any money to that budget. If we were to close the hearing tonight we can cut the budget but if something



comes up we can't raise it. He said he understood that it is legal to continue a Public Hearing but if you adjourn a Public Hearing there has to be a new posting for another hearing. We have enough time to do a posting if counsel says we were wrong he said.

Mr. Johnson suggested they continue the hearing to Jan. 23 and wait for feedback on the proper way to do it and then post it or not with whatever is required.

Mr. Henry asked if the members wished to change the time to 6:30 p.m. so there is more time to conduct business or to stick with the 7 p.m. start time.

**Amendment:** (by Mr. Henry) to begin the hearing at 6:30 p.m.

Mr. Brown accepted the friendly amendment.

Mr. Johnson seconded the amendment.

**Vote:** The motion passed unanimously.

Mr. Henry said he would notify the Selectmen's Secretary of the modifications to the agenda and the meeting posting.

**Motion:** (N. Johnson, second Connolly) to recess the Public Hearing passed 9-1 (E. Johnson, N. Johnson, Cardinal, Connolly, Henry, Arcouette, Place, Lauze, Mitchell-in favor; Brown-opposed) at 8:05 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

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Sylvia Arcouette, Chairman