

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, May 24, 2017

Committee Members Present:

Sylvia Arcouette, Chairman
Jodi Connolly, Vice Chairman
Elizabeth Johnson, Secretary
Neil Johnson, Selectmen's Rep.
Angie Cardinal, School Board Rep.
Sam Cataldo
Tim Brown
Heidi Mitchell
Michelle Elbert

Committee Members Absent:

Jason Lauze
Stephen Henry

Others Present:

Arthur Capello, Town Administrator
Laurie Verville, SAU 61 Business Administrator

Others Absent:

Ruth Ellen Vaughn, SAU 61 Superintendent

1). Call to Order:

Chairman Arcouette called the meeting to order at 7 p.m.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Public Comment (10 Minutes):

Mr. Capello reminded everyone that the Grand Opening of the Public Safety Building will take place on Sunday, June 4 at 2 p.m.

4). Review of Minutes:

April 27, 2017- No errors or omissions

Motion: (N. Johnson, second E. Johnson) to approve the minutes as written passed 8-0-1 (Cardinal abstained).

5). Review School Reports:

Ms. Verville said she did not have a lot more to report than was discussed at last month's meeting. There were some year-end expenses covered which included some extra-curricular staffing assignments that occur throughout the year and are paid at year end. She said they plan to reach out to the Town to discuss working together in a bid for a better heating oil price. Other highlights included the substitute budget lines that will be left in the negative for tracking purposes and they are aware that the lines will need to be covered. She then asked if the members had any questions.

Mr. Brown asked if the estimated budget surplus is still on track.

Ms. Verville said the expected surplus is still on track but noted they are addressing some things and that the amount may or may not change. They are doing well by economizing and stretching their dollars as well as they can she said.

There no other school budget related questions from the Committee.

Mr. Johnson asked how many surveys were received from residents.

Ms. Verville said they have received approx. 360 survey responses and that they began work on the tabulations at the Strategic Planning meeting held on Monday night. The date for the next meeting has not been determined but they are looking at scheduling it for the second week of June. The Superintendent will be sending out an e-mail with more information on the meetings and the information will also be broadcast publically she said.

Chairman Arcouette asked to have the Bud Com members included on the notification list for the next meeting.

Mr. Johnson asked if there is a way to track the demographics of the responders to the survey. Discussion included using school district employees, businesses, students and taxpayers as suggested categories.

Mr. Brown said there are some demographic questions included in the survey.

Ms. Cardinal said some of the responders will fall under more than one category and that that data can be accounted for as well.

6). Old Business:

Mr. Brown said he intended to make a motion under Old Business concerning the school district. Chairman Arcouette agreed to move to the Old Business portion of the agenda so that Ms. Verville could hear the motion and discussion without having to stay until the end of meeting.

Mr. Brown said at the last meeting there was discussion with Superintendent Ruth Ellen Vaughn about the goals for the 10 Year Plan. He said Mrs. Vaughn has been with the district for nearly a year now and there is no guidance from the School Board about the plan. He said he left that meeting and began some research knowing some of the fiscal impacts to future budgets which include approx. \$1 million in repairs to the Henry Wilson School and contract increases. He said he would like to make a motion under the Municipal Finance Act for relative information for preparing next year's budget.

Motion: (Brown, second Connolly) to have SAU 61 conduct a feasibility study to show the benefit cost analysis of:

Creating a regional tuition based educational system for grades 9 through 12 inclusive and grades 7 through 12 inclusive.

The study should contain 3 estimates of costs from 3 neighboring school districts.

It should also document student populations and trends over the last 10 years as well as budget increases/decreases over the last 10 years.

Special Education costs should be tracked over a 10 year period showing increases and decreases as well as student numbers.

What additional services are available from tuition based system?

What services would not be available in a tuition based system?

What additional transportation costs would be needed in tuition based system?

Would be feasible to close the Henry Wilson School and transfer those students to the high school if a tuition based system were to be created?

What would be the projected savings in operation and repairs if the Henry Wilson School were to

be not used?

Include any other information which may be located and relevant to the topic.

Discussion - Mr. Brown said his purpose in making the motion was not to say that we need to develop this program but because the committee will be developing a budget they need to start with a zero based budget and everything needs to be put on the table. He said the district has a \$16 million budget for about 900 students which is a cost of about \$18,000 per student and asked if there is a better way of doing this that will provide a more cost effective education for our kids. He suggested they research the issue and if it looks feasible bring it forward to the taxpayers and if not to “put it to rest”.

Committee members discussed if the Municipal Finance Act covers all requests for information, definition of tuition based system, obtaining a cost analysis of the tuition based system, requesting the SAU to conduct a study or analyze the questions in the motion and some of the information requested is available on the NH Dept. of Education website.

Additional discussion included that only the School Board can direct the SAU, some members do not like the idea of “farming out” students to other districts, if the Bud Com would be overstepping its bounds by recommending potential money saving solutions to the School Board, and the Bud Com has no authority to force the school board to make policy changes.

Mr. Brown also suggested that both types of budget proposals could be presented as Warrant Articles at the next Annual School District Meeting and let the voters decide.

Amendment: Mr. Brown then presented a friendly amendment to his motion as follows;

Motion: (Brown, second Connolly) to have SAU 61 produce the below data by the September Budget Committee meeting; the cost to create a regional tuition system for grades 9-12 and that cost for grades 7-12, get 3 estimates from neighboring community schools, student population trends over the last 10 years, budget increases/decreases over the last 10 years, Special Education costs over the last 10 years, transportation costs over the last 10 years, what additional costs would be involved in creating this system, what services would not be available in this system, what the additional transportation costs would be over 10 years, does the student population allow us to close Henry Wilson School and transfer them to the High School, what would be the projected savings in repairs to Henry Wilson and any other information the Superintendent would like to add about whether this would be cost effective or not cost effective.

Discussion on the Amendment- Ms. Cardinal said providing the data is easy to do but that Mr. Brown is requesting the SAU conduct an analysis which is something the School Board would have to direct the SAU to do as it is not part of their standard work load.

Mr. Johnson said some of the questions Mr. Brown asked would require a detailed financial study which is beyond the Bud Com’s authority or jurisdiction.

Mr. Brown said the difference between the first and second motion is that he removed the request for a feasibility study.

Ms. Cardinal said the motion should go directly to the School Board instead of the SAU.

She then suggested that all of Mr. Brown’s “what if” questions could be part of their Strategic Innovations Plan and that where Mr. Brown has been volunteering on that committee it would be

great for him to discuss it there.

Second Amendment: Mr. Brown then amended his motion again as follows:

Motion: (Brown, second Connolly) to request the cost for a tuition based education system for grades 9-12 and 7-12 from 3 neighboring school districts, student population over the last 10 years, budget increases and decreases over the last 10 years and the Special Education costs over the last 10 years.

Discussion: Mr. Brown said that this information would give him some idea as to whether it is a good idea based on the numbers available.

Ms. Mitchell asked if Mr. Brown was asking the other school districts what they would charge if we sent them 30 of our kids.

Mr. Brown said he was asking for a “ballpark figure” as to what they would charge if we sent our high school population to their schools.

Ms. Connolly said the schools in Rochester and Wolfeboro already take students from other towns so they should be able to provide a basic ballpark number for tuition.

Mr. Johnson said the number would be inaccurate because there isn’t a school district in the region that could absorb all of our grade 7-12 students at a simple tuition cost without major capital expenses.

Ms. Cardinal said they can ask what the other districts currently charge and that Area Agreements are easily obtained as they are public documents. She added that the negotiated agreements could also have some non-financial benefits included.

Mr. Brown said Milton is sending their students to Gov. Wentworth at a cost of about \$13,000 per student.

Mr. Johnson said that figure is correct but doesn’t include the additional transportation costs.

Ms. Cardinal said that would be after any state and federal aid those districts are receiving.

Ms. Verville said that amount is a stripped down basic cost which doesn’t include the costs for specialized services, tutoring or other programs needed by those students.

Mr. Cataldo suggested they consider having 2 schools instead of 3 schools-one for grades K-8 and the other for grades 9-12.

Mr. Johnson said his suggestion would be limited by space restrictions.

Ms. Cardinal asked if the first component of the motion was for information from 3 area schools and the other components of the request are for information on Farmington only.

Mr. Brown said that is correct and if there is no room at any of those schools it puts the issue to rest.

Ms. Cardinal asked why Mr. Brown made the motion to have the Bud Com request the information as opposed to bringing it as an idea to the Strategic Innovations Committee.

Mr. Brown said he can do both but when he is formulating an individual decision about the school budget he wanted to put everything on the table, look at the positives and the negatives and the potential for significant savings to the taxpayers.

Ms. Arcouette called for the vote.

Vote: The motion passed 7-2 (Cardinal, Mitchell opposed).

7). Review Town Reports:

Mr. Capello said the Town is only into the first few months of the budget and everything is trending on track except for the road salt and they will deal with it when they come to it. If there is an easy beginning to next winter we will be fine, if not we will end up over expending that line he said.

Actual & Budgeted Expenses & Encumbrances Report:

Page 9, Line 01-4414-10-110, Animal Control - Ms. Connolly said \$1 was budgeted and \$27.50 was expended. She asked if the Town currently has an ACO and why \$27.50 was spent under personnel. She noted there was also a FICA expense (\$1 budgeted, \$1.71 expended) listed.

Mr. Johnson said the dept. Officers have taken over the ACO duties.

Mr. Capello said he thought the entry was misallocated and that he will find out why the funds were spent.

Tappan Street Property-Mr. Brown asked if the Town owned property on Tappan Street has been sold and if the sale has been closed.

Mr. Capello said the property has been sold for \$33,500 and the closing was expected to take place next week. He said that 18 Worster Street is the next Town owned property up for sale.

Mr. Brown asked how a resident would go about purchasing a Town owned property.

Mr. Capello said the purchase is through a sealed bid process detailed under RFP's on the Town website. The bids will go to the Board of Selectmen and they have the right to accept or refuse any bid. He said it will be a cash sale and that a resident probably would not be able to get financing on the property as it is being sold with a quit claim deed. He added that showings are by appointment only and interested persons should call him to set up an appointment.

Page 1, Line 01-4130-10-740, Town Office Equipment and Line 01-4130-90-625, Town Hall Postage- Mrs. Elbert asked about the Town Office Equipment (\$2,500 budgeted, \$1,576 remaining) and the Town Hall Postage (\$10,000 budgeted, \$5,235 remaining) both have amounts remaining that increased from April to May.

Mr. Capello suggested it may be due to the anticipated contract cost for the postage machine being less than originally estimated due to the recent reduction in postage costs.

Old Fire Station- Ms. Mitchell asked for the current status of the old fire station.

Mr. Capello said the Selectmen have signed a contract with an appraiser to obtain an appraisal and the best use of the property. The board will make a determination as to what will be done with the property following receipt of that information he said.

Location of Utilities- Ms. Cardinal asked for the location of the utilities costs in the budget.

Mr. Capello said utility costs are shown under the General Government Buildings section of the budget (Page 3).

She then asked if the town is locked in to a utility contract for electricity at this time.

Mr. Capello said the town is currently locked in with Northeast Power for 1 year and that the solar array at the landfill will be coming online after that.

Ms. Cardinal said the School District is trying to get a better electricity rate and found they don't use enough electricity to qualify for a bulk rate. She said Mr. Capello may receive a phone call

from the staff looking to consolidate with the Town on electricity rates.

Mr. Capello said that once the solar array comes online by the end of the summer the Town will no longer have a fixed rate with that company. He said to have the staff call him anyway so that they can look at the proposal.

Page 4, Line 01-4194-30-351, Town Clock- Mr. Cataldo asked about the expenses for the Town Clock (\$500 budgeted, \$500 remaining).

Mr. Capello said that the cost listed is for the yearly maintenance of the Town owned clock above the church. He added that there is one man who does clock maintenance for the whole state and that the members wouldn't believe how busy he is.

Page 3, Line 01-4155-10-241, Staff Physicals- Mr. Cataldo then asked about the expenses for staff physicals (\$500 budgeted, \$347 remaining).

Mr. Capello said the money is spent for physicals for new employees for the DPW and Police Dept.

There were no other questions from the members for Mr. Capello.

Public Safety Building Grand Opening-Mr. Capello again reminded the committee and viewers about the Grand Opening of the Public Safety Building on Sunday, June 4 at 2 p.m. The Police and Fire Depts. vehicles will parade from the old stations down Main Street with lights and sirens and the Boy Scouts will join in and be escorted to the new building for the posting of the flags. Music will be provided by the Community Band and food will be provided by Farmington House of Pizza and Friends of Farmington. There will be a raffle with proceeds going to the Recreation Dept. for Hay Day, a crash car simulation and a professional photographer on site for photo keepsakes he said.

Mr. Johnson added there will be building tours and the Police puppy will be present.

8). New Business: None.

9). Public Comment (10 Minutes):

Ms. Arcouette said that the NH Small Business Development Center will be at the Friends of Farmington Building, 480 Main Street on June 7 at 5:30 p.m. to discuss resources for small businesses. Everyone is welcome to attend she said.

10). Next Meeting: Wednesday, June 28, 2017

11). Adjournment:

Motion: (Connolly, second E. Johnson) to adjourn the meeting passed unanimously at 7:40 p.m.

Respectfully submitted

Kathleen Magoon

Recording Secretary

Sylvia Arcouette, Chairman