

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, December 20, 2017

Committee Members Present:

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

Committee Members Absent:

Stephen Henry
Sam Cataldo

Others Present:

SAU Superintendent Ruth Ellen Vaughn
Business Administrator Laurie Verville

1). Call to Order:

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

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). School District Budget Presentation:

Mrs. Vaughn said this spring the Strategic Innovations Committee sent out a survey to the people of Farmington and received 243 electronic responses and 46 paper responses. She said that although this does not represent the majority of taxpayers in town the response is statistically significant and is larger than the response to past surveys.

The results were fairly evenly divided across five areas of growth for the schools which included facilities, achievement, curriculum, community relations and technology. These areas represent the focus areas for the proposed 2019 school year budget she said.

Mrs. Vaughn said there has been much discussion about the tax rate and the School District's part in its change each year. The tax rate has increased but the overall school budget is less than in 2013. The School District is the town's largest tax expense, its largest employer, largest investment and should be its greatest asset she said.

She said the district can't keep doing things the way they have always been done and expect different results. Millions of dollars in funds raised and appropriated for the schools have been returned to the town in past years. Those dollars represent many capital projects deferred, text books un-purchased and opportunities missed. Better schools help the town evaluation and can help reduce taxes in the long run by helping to attract revenue so the town can support its needs she said.

Mrs. Vaughn said the budget proposal addresses a number of the district's needs by people

who took the time to help them examine where the district should go next. She said many of the larger projects are included as Warrant Articles so that funds set aside for that purpose can be tapped and reduce the impact on local taxes.

She expressed gratitude for the partnerships with the Town, local press, several civic groups and the Budget Committee and thanked them for time and efforts. She also thanked several local businesses for providing mentoring, internships and field trip opportunities.

Mrs. Vaughn said she was tasked by the School Board to bring the schools into the top 10 percent in the state. She said the district isn't there yet but with help it will continue to move forward toward that goal.

Mrs. Vaughn and Ms. Verville then gave the following presentation to the committee:

The Strategic Plan Broad Goals:

Facilities- the buildings will be in good repair with all systems on a regular maintenance and replacement schedule by 2027, roofs to be replaced at HWMS by 2023, FHS by 2025 and a plan for VVCS by 2027, a secondary access road to FHS and VVCS to be in place by 2027

Roofing upgrades to be funded by Capital Reserve Funds and proposed Warrant Articles, the access road and security upgrades may be eligible for grant funds, facilities repairs/upgrades to be funded by a performance contract

Achievement- portrait of a Farmington graduate completed by late 2017, Farmington students' assessment scores in the top 50% of the state assessments by 2022 and the top 10% by 2027, the percentage of graduates with post secondary placement plans increases to 100% by 2027 Goals to be achieved by the addition of SAT writing component to FHS state testing, addition of individualized/differentiated practice and remediation for IXL English and Math programming, expansion of the pre-school program to 5 days a week, addition of science content and lab opportunities to prepare students for state testing and the research fields, continue to pursue the NEAS&C accreditation while strengthening the academic foundation in competency based learning and assessment

Mrs. Vaughn said NEAS&C is in the process of changing its requirements and their new standards should be in place when the district has its on-site visit in 2020. She said anticipated costs include stipends for the committee co-chairs (2 at \$1,500 each), self assessment surveys (\$2,400 to \$2,800), membership fees (\$3,365) and the 2020 site visit (\$16,000 to \$20,000 for 16 people for 4 days including meals, lodging, stipends and materials).

Curriculum- adoption and review schedule will be in place by 2020, NEAS&C site visit completed, full competency based grade reporting in place for FHS by 2022, by 2027 for HWMS and VVCS. Plans include expansion of Extended Learning Opportunities (ELO-as part of or in place of a typical class), expansion of music program at HWMS to include instrumental music during the day, restructuring the FHS schedule for more opportunity for integrated learning, engagement and interdisciplinary work, continued teacher professional develop with more content and planning tools, updated science content to align with Next Generation Science

Standards.

Community Communication/Relations – communications plan and feedback loops in place for information delivery to the community and return comment by 2020, community perceptions survey with 70% positive responses by 2022 and 90% positive responses by 2027

Goals to be achieved through the Endicott Survey as feedback for NEAS&C self study, more student voice (student government, student rep. to the School Board, feedback on “What could be”), parent involvement, community support through ELO, robotics programs, Boosters, joint programming and shared information with other districts.

Technology - FHS will be fully 1:1 with technology implementation by 2021, HWMS will be 1:1 by 2023, VVCS will be 1:1 by 2025 and security systems will be fully upgraded by 2020 following the state security audit this winter

Plans include moving toward a 1:1 environment at FHS, cart upgrades at HWMS and VVCS using the School Technology Capital Reserve Fund, improve the sound system at HWMS (by Capital Reserve Fund), upgrades to the security system on campus to better protect students, staff and the investment in the buildings (seeking grant funding)

Mrs. Vaughn said other area Superintendents told her about using a performance contract to fund larger projects so they began researching the options. She said she asked Sean Foy of Siemens to attend the meeting and give the committee an overview of what is possible with a performance contract.

Mr. Foy said Siemens is the district’s HVAC service partner and that he is part of the company’s Energy Team. He then gave a brief presentation outlining what performance contracting consists of and how other districts are using it to get large projects done.

He said they call it “infrastructure optimization” because they look at everything in the district and what the needs of the district are.

He said that an Energy Service Performance Contract (ESPC) is an agreement between the building owner and an energy service company who identify, design and install energy related (savings) improvements that pays for the new equipment over time and guarantees their performance. The contract may not be with Siemens as part of the process involves sending out a Request for Quotes (RFQ), reviewing the bids and then choosing which company will best meet the requirements of the project he said.

Mr. Foy said the selected company will then look at everything in the district and the savings that may found with energy savings measures. Each of the measures that have a savings will be guaranteed. We look at the entire budget to determine what is available and the entire project would be done within the budget he said.

Next up was a slide depicting energy related capital improvements paid from energy and cost savings. A graph depicted payments to a utility provider before the performance contract and a second graph showing the reduced payments to the utility provider after the performance contract. The budget would remain the same as the utility savings would be used to fund the

project (as payment for financing, installation and service to new equipment).

The contract would also include a requirement for the service company to measure and verify the amount of savings yearly from the new system. If the promised level of savings is not achieved the company will cut the district a check for difference he said.

He said the energy services company will act as a general contractor and the single source of responsibility for the project. There will be no change orders needed and the improvements can be made with no impact to the tax payer.

Mr. Foy said the performance contract began as an energy savings measure in the 1980's and is now supported by NH law. The law allows districts to contract for up to 20 years for a project and the longer the contract the more things can get done he said.

He then showed examples of how school districts were able to move from replacing a burner to a major upgrade of the heating system using performance contracting.

He said each school will have its own plan with the costs, savings to be realized and any state incentives for the work.

Mr. Foy said performance contracting is a long process which includes identification of goals, a preliminary analysis, a Letter of Intent to proceed with the project, infrastructure and financial analysis, confirm preliminary results and objectives, contract negotiations, installation, commissioning, commercial acceptance and warranty and performance guarantees.

He said there may be things with no energy savings such a roof which can be tied into the project and the energy services company can obtain pricing for those items for the district.

He added that the company engineers also provide STEM classroom presentations to get kids excited about engineering. Sometimes they even go on a project audit with us he said.

Mrs. Cardinal asked what happens after the contract is completed.

Mr. Foy said the district keeps getting savings. Measure and verification of savings is a yearly cost and some districts decide to forgo the verification and save that cost. The district could also bid for the best service company and potentially realize some savings there as well he said.

Mrs. Cardinal said Mr. Foy presented the full length presentation to the School Board in May and it is available for viewing online. **She said she would send the link for the presentation to the Bud Com.**

Mr. Brown asked if there were any costs associated with this program in this budget proposal or if it something under consideration for a future budget.

Mrs. Vaughn said the program is part of a long term plan and the process is a year to a year and a half out and it probably won't directly impact this budget.

Mrs. Vaughn then returned to the budget presentation.

Challenges- workforce retention, overcoming the revolving door and the district's "training ground " perception, deferred infrastructure projects now demanding attention, increased staff and materials costs, changing "what we have always done" to meet current/future needs of students

Tax Rate- town valuation/assessment is down more than \$36.8 million since 2008 and \$25.7 million since 2013, revenues are decreasing (title grants down 5%, Catastrophic Aid is nearly zero, Adequacy Aid down \$211,961, FAMEE grant expires at year end and no guarantee of receiving another grant, state wide property tax rate decrease =loss of \$46,502), historical under budgeting of workshops and course reimbursements, salaries and benefits increases (including new positions or program changes) across all programs (\$593,866), overall proposed budget increase of \$188,921 from School Year 2018 to SY 2019

FY 2019 Proposed Budget Summary by Object Code Percentage- a pie chart depicted the proposed budget as follows: instructional programs (60%), facilities (11%), pupil support (8%), school administration (7%), general administration (6%), transportation (4%), instructional support (2%), technology (2%) and other support services (1%).

Mr. Johnson asked about the difference between school administration and general administration.

Mrs. Vaughn said school administration generally refers to the school Principals and general administration is the SAU office. In prior budgets the general administration budget would have been broken out as part of the SAU budget and not the district budget she said.

Ms. Mitchell noted that the slide states that the Technology portion of the budget is 1 % and the handout received by the committee says Technology is 2 % of the budget and asked for the correct figure.

Mrs. Vaughn said she suspected there may have been some rounding of the figures and said she will provide the correct number to the committee.

Program Initiatives- Behavior program, pre-school expansion, increase in Para-professional hours to meet student service needs (from 30 back to 32.5), increase substitute pay to attract a larger sub pool and retain current subs (from \$65 to \$75 daily), music program expansion

Mrs. Elbert asked if the district charges for the pre-school program.

Mrs. Vaughn said the cost is \$50 a month or a reduced rate of \$25 for qualified families.

Mrs. Elbert asked why the rate is so low.

Mrs. Verville said that is the rate set by the School Board.

Ms. Dinetto said the pre-school program is a mix of regular education students and Special Education students and in order to have the typical peer model they try to make it attractive to bring students to the program to create an atmosphere of inclusion.

Ms. Mitchell asked if the pre-school program was filled on a first come, first served basis or if a priority is given to special needs students.

Ms. Dinetto said the priority is for students with Special Education needs but they try to accommodate everyone. There are 16 children in each of four classes and the total is split in half so there are 8 typical and 8 special needs children in each class. There is a waiting list with the 4 year old program filling up right away and the three year olds filling the spots over the year she said.

Ms. Connolly asked how many total classes there in the pre-school program at this time. There are 4 half-day classes (two classes in the morning for 3 year olds and two classes in the afternoon for 4 year olds). There are spots for 16 children in each class and the 4 year old classes are full and the three year old are about half full right now.

Ms. Connolly asked how many Special Education students are in each class.

There are currently 15 special education students sprinkled throughout the four classes.

Mrs. Elbert asked if everyone in the classes pays the \$50 a month.

The Special Education students do not pay the \$50 a month charge.

Mrs. Vaughn said if the family qualifies for free or reduced meals they also get a reduced rate for the pre-school program.

Mr. Brown asked if the behavior program is in regards to out of school district placements and if those out of school district placements are special needs students or court ordered.

Mrs. Vaughn said the court imposed placement is out of the administration's hands as the court is saying here is what will happen. She said there needs to be a better support system and another option besides out of district placement for those students on the Autism Spectrum or with behavioral issues due to some type of trauma.

Mr. Brown asked if this is being proposed with the goal of reducing out of district placements.

Mrs. Vaughn said that is the goal if possible. She added that not all of the students who are using the current behavior program have identified behavior causes. The behavior program is being moved from a Special Education line to a Support Services line in the budget because the services are not just for Special Education students she said.

Mr. Brown suggested that the district inform the courts about the expanded behavior program to help reduce the number of court ordered out of district placements.

Ms. Dinetto said when a student is court involved and is removed from the home that student may be placed in residential home with an academic component as part of the decision. If it is possible to transport the student to the Farmington School District for educational purposes then we do that. If the placement is part of a delinquency the student has committed the student may be placed in a facility for therapeutic support and the district has no control over it as it was court ordered. She added the district makes the attempt to have the student get their education here with the exception of one student who was placed so far away that it would cost as much to transport him as it would to for him to be educated at the placement site.

Valley View Community School -Mrs. Vaughn said the parts of the budget proposal that impact VVCS include increase the Para-professional hours, addition of a 5th day to pre-school programming (increase cost for bussing only) reclassify 1 teacher and 1 Para from Special Education to Behavioral Services (no budget impact).

Henry Wilson Middle School -She said for HWMS, they propose to expand the music program by adding a half-time music teacher combined with the half-time music teacher at FHS to add instrumental music during the school day, addition of 1 full time teacher for behavioral services

(the program currently has a Special Education Para who will be reclassified to Behavioral Services with no budgetary impact) and increase the Para's hours from 30 to 32.5.

Ms. Connolly asked if there is an existing music program at HWMS.

Mrs. Vaughn said there is a general music class that is offered as part of the Unified Arts classes and an after school class for band lessons that is in process. There is currently no instrumental program during the day as there once was several years ago. She said her goal is to build up the program looking forward to moving it to a full position at the high school.

Farmington High School- For the high school Mrs. Vaughn said they are looking to increase the Para-professional hours, addition of a unified basketball coach position (\$1,116 stipend budgeted) which was previously grant funded at \$1,800, addition of 1 Para for Behavioral Services (the program currently has 1 teacher who will be reclassified from Special Education), the half-time music position will remain, elimination of 1 full time Business teacher (-\$76,000, the position to be combined with Technology) and the Adult Education program will be eliminated in the 2019 budget (-\$10,000) due to lack of demand and the capacity to provide these programs.

Mr. Brown asked if the increase in Para-professional hours will impact the cost of benefits-particularly for medical benefits.

Mrs. Vaughn said the benefits for Para's begin at 30 hours.

Special Education- Mrs. Vaughn said they are looking at increasing the current Occupational Therapist hours from .6 full-time to 1 full time employee and provide full time services more economically from staff than by a contracted service.

SAU Office- Mrs. Vaughn said they propose to increase the number of hours for the Administrative Assistant from 27.5 to 32.5 hours to provide coverage for days currently without service.

Mrs. Arcouette asked if the increased hours would increase the Assistant's benefits as well.

Mrs. Vaughn said the increase could potentially increase the benefits for that position.

Cost Reduction Projects- the performance contract, warrant articles (a van from bus CRF \$30,000, kitchen equipment CRF to be established, roof replacements at FHS- \$500,000 and HWMS-\$55,000), Capital Reserve Funds to expend \$12,500 for weight room equipment, \$4,000 for HWMS gym sound system and \$74,000 for Chromebooks for all 3 schools (100 to FHS, 70 each to HWMS and VVCS).

Mrs. Elbert asked if the roof repairs would be rolled into the performance contract.

Mrs. Vaughn the repairs are needed before the performance contract could be set up and executed and there are Capital Reserve funds to cover the work.

Mr. Johnson recalled that the district gave away some weights from the high school about 4 years ago.

Mr. Gordon said Booster Club had given away some weights that once belonged to football team to the Fire Dept.

Mrs. Connolly asked if the Chromebooks would stay in the schools and not go home with the students.

Mrs. Vaughn said that initially the Chromebooks will stay in school but they are looking at what policy changes would be needed if the computers were allowed to go home with students. She said she worked in a district where they were allowed to be taken home and the students were assigned a Chromebook for the year, parents were required to sign a contract and many of the textbooks were downloaded onto the computers and were seen as their book for the year. We need to talk about protections and policies and are not ready to do that yet but it is a goal in the future she said.

Mr. Johnson asked for the total number of Chromebooks to be purchased.

Mrs. Vaughn said this purchase will be 240 units at \$310 each.

Mr. Johnson asked if this includes infrastructure upgrades.

Mrs. Vaughn said they plan to use the E-RATE money to increase the number of access points in the schools and to add fiber optics to increase the bandwidth.

Default Budget- Mrs. Vaughn said the default budget is comprised of last year's budget minus one time purchases, warrant appropriations and non-negotiated raises. Contractual obligations such as negotiated salaries and benefits, leases and utilities are included in the default budget. The default budget is \$14,823,086 which is \$35,321 more than the proposed budget and 8 cents more on the tax rate than the proposed budget she said.

Mrs. Connolly said the warrant articles come out of the default budget and would also not be shown in the regular budget.

Mrs. Vaughn said that is correct but they show as part of the appropriations for this year and are taken out when the default budget is calculated.

Final Look- Mrs. Vaughn said the charge to improve the schools is one she takes seriously and work on several fronts to make that happen is underway. She said the proposed budget will give the district the opportunity to restructure programs to better meet students' needs and ensure their success.

She said the school population has decreased in number but has increasing needs that must be met before academic progress can be made. She advised the district must build the services infrastructure, protect the capital investments and prepare students for the world they will inherit.

Mr. Brown said he is seeing a lot about behavioral issues in this budget but is not seeing a lot about goals for gifted children such as the "A+ students" and National Honor Society students. He expressed concern about investing in behavioral issues and allowing students that excel to fall behind by not offering them the same opportunities. He asked about the district's vision to help those children grow more along their expectations.

Mrs. Vaughn said they are looking to increase the ELO program, increased AP offerings and dual and con-current enrollment that will be available for 11th and 12th graders next year (students

may take 2 STEM classes paid for by the state for college credit). As we move toward competency education, it will be less about seat time in your freshman year and more about the competencies the student must achieve. Some students may do it in 2 years and some may do it in 5 or 6 years she said.

Mrs. Vaughn said they are also looking for opportunities to restructure what things look like with the middle and elementary school courses and are considering project based learning, multi-age or blended classes and how to differentiate when someone is ready to move forward.

Mr. Brown suggested that gifted students be allowed to participate in an independent study program and free up resources that could be allocated to the behavioral program. Instead of budgeting more money we are working harder and smarter with the existing staff and accomplishing two goals he said.

Mrs. Vaughn said there are some students who are taking advantage of some of those pieces now.

Mrs. Cardinal said that historically the ELO program has been viewed as if you can't hack college prep maybe you can get course credits through ELO. She said she sees it as an opportunity for students to take the initiative to try something new or to test the waters for a potential career so they don't end up wasting time in a career that wasn't a good fit for them. This is one area that is established with a staff advisor and is not taking anything from behavioral or special education resources she said.

Mrs. Vaughn said there were Farmington students who placed third in the state for coding and that she would love to see the demand be such that there would be robotics course offerings during the day at school. She said she would also like to see more opportunities for middle school students who are ready for high school level courses without physically putting a 13 year old in class next to 18 year olds.

Mr. Brown said he was amazed at the number of 6th- 8th grade Honor students at the awards ceremony last year. He asked if those students are working to their capacity and being challenged more in addition to what is done for Special Education students. If we are going to attack our educational plan it needs to be one that all of our kids on either side of the educational spectrum are being taken care of he said.

He said there are some middle school students doing high school level work in independent study programs and some high school students who will have almost completed their Associates' Degree by the time they graduate and we should encourage them instead of losing them as they get older.

Mr. Brown said that in addition to the possibility of receiving some Homeland Security funds for the secondary access road for FHS and VVCS there is also a new education bill (Catastrophic Building Aid) that will pay for 80% of emergency safety repairs versus 50% of the repairs from the Homeland Security funds.

Mrs. Vaughn said they plan to apply for funding from both sources once the security audit has

been completed.

Mrs. Connolly asked if the district still has a vocational program.

Mrs. Vaughn said the district sends vocational students to the Lakes Region Technology Center in Wolfeboro.

Mrs. Connolly asked how many students attend the programs there.

Mrs. Vaughn said 24 students go to the tech center.

Mrs. Connolly asked for the total number of Special Education students for this year and last year.

Ms. Dinetto said there are currently 174 Special Education students and there were 180 students last year.

Mr. Johnson said at the last Bud Com meeting he submitted some questions involving specific budget line item numbers and asked if he would receive the responses to those questions so he could determine which lines were being impacted by some of the expenditures or proposed increases.

Mrs. Vaughn gave printed copies of the summary of the year end purchases for FY 2016-17 and the year end fund balance calculations (FYE 2017-Unassigned Fund Balance) to the committee.

Mr. Johnson said the salary of the ELO Coordinator in the adopted budget last year was \$1 and in the default budget the line can't be increased.

Mrs. Vaughn said that position was combined with another coordinator position that was in the budget.

Mr. Johnson cited other examples of possible incorrect entries in the default budget such as for the Special Education Coordinator, funding for the Behavioral Services program (\$223,821) and the contracts for the printers and photocopiers.

He said he suspected they may have done some reassigning of funds but the budget line item totals can't be changed. There are a bunch of minuses and plusses that must take place until the default budget matches the adopted budget with the removal of the items that have already been discussed he said.

Mr. Johnson said he did not pull out all of the negatives and all of the pluses to see if it all balanced but just picked out the lines that were zero or \$1 funded that had an increase.

He said he would provide a list of the line items to Mrs. Vaughn for review.

Mrs. Vaughn said she would supply the corrected default budget lines to Mr. Johnson.

He asked if the raw data from the survey mentioned in the presentation would be released.

Mrs. Vaughn said the data is in a "tough format" but can be released.

Mr. Johnson said he would like to see how the voting went in the various categories.

He said he strongly agreed with the improvement of the school district rating and its assessment scores. He said if they are going to look to improvement, there must be base values and asked if the base values for the district have been established.

Mrs. Vaughn said the base values are still in process and currently she is looking at last year's

state assessment data as a starting point and then move on from there. The information will be presented to the School Board next month she said.

Mr. Johnson said he will request that information be provided to the Bud Com by Mrs. Cardinal. He asked if the district is anticipating any income from the state that was derived from Keno games for the pre-kindergarten program that were promised to offset some of those costs.

Mrs. Vaughn said they have been given some preliminary information without a lot of assurances. She said that one town in the state has adopted the proposal and that she didn't think that one town can fund everything the state is looking at.

Mr. Johnson said he was curious as to what number the state gave the district for potential revenue.

Mrs. Vaughn said she was given an estimate of about \$1,000 per student which is not huge but is some revenue for the district. The Keno funds are intended for the kindergarten program and will not affect the pre-kindergarten program. She said the potential revenue is not included in the proposed budget because she is skeptical they will receive the proposed amount of funds from the state.

Mr. Johnson asked if stipends are paid even if the meetings or activities are not being held.

Mrs. Vaughn said the clubs or activities that would receive a stipend go forward as a nomination each year. She said that one activity, student government, carries a stipend for the advisor but the high school did have any student government in place last year so the stipend was not paid out. This year student government has returned and there is an advisor who is receiving a stipend she said.

Mr. Brown asked if the advisor misses 50% of the meetings would they still get 100% of the stipend.

Mrs. Vaughn said the stipend payment would go through the building administrator and then to her and if the activity has not been fully run it wouldn't be fully funded.

Mr. Johnson asked for confirmation that the pre-kindergarten program was being expanded to 5 days a week and the \$5,000 increased cost was solely to cover the cost of busing.

Mrs. Vaughn said the increase is to cover the busing and the reshuffling of the existing staff.

Mr. Johnson asked if the proposed increase in the Para-professionals' hours was included in the default budget.

Mrs. Vaughn said the School Board voted to increase their hours moving forward.

Mr. Johnson said the increase has to come out of the default budget.

Mrs. Cardinal said the 30 hours for the Para's is included in the default budget but the jump from 30 to 32.5 hours has not been included.

Mr. Johnson asked Mrs. Vaughn to double check to see that the Para's 32.5 hour increase is not included in the default budget.

Mr. Johnson asked if the increase in the substitutes' pay is included in the default budget.

Mrs. Vaughn said it is not included.

Mr. Johnson asked if the additional music program is included in the default budget.

Mrs. Vaughn said the current half-time position at the high school is included but the proposed addition of a half-time position at the middle school is not included in the default budget.

Mr. Johnson asked for the projected cost of the half-time music position at the middle school and if the cost includes equipment costs.

Mrs. Vaughn gave out copies of the FY 2018-19 proposed budget staffing requests to the committee and said it represents the proposed staffing increases which are included in the proposed operating budget but are not included in the default budget.

Mr. Johnson asked if the SAU Administrative Assistant's increase in hours is included in the default budget.

Mrs. Vaughn said it is not included.

Mrs. Connolly asked if when the behavioral services are moved out of the default budget to a different area if the one new position would be subtracted from the total budgeted for those services.

Mrs. Vaughn said the new position is not in the default budget but the existing positions that will be reclassified from special education to behavioral services were there. They will be put back in the lines where they were originally included she said.

Mrs. Johnson asked about the purpose of the School District Health Insurance Trust fund.

Mrs. Vaughn said the fund was established in 2006 when the district had an approx. 18% increase in health insurance premiums and its purpose was to offset any increase that would impact taxes the way it did that year. It has not been withdrawn from up to this point and the health insurance premiums went down 1.1 % this year she said.

Mrs. Johnson asked if they are just "sitting on" this money in case there was to be an increase to the health insurance premiums.

Mrs. Vaughn said that is correct and that Farmington was fortunate in that most school districts saw some type of increase in their premiums between 2% and 5%.

Mr. Brown asked if there has been any forward movement with the state legislature's attempts to refund some retirement costs to the districts and if she was aware of any potential adjustments to the required contributions to the state retirement program.

Mrs. Vaughn said she has not seen any adjustments and they have not been given any indication that might happen. She said they have been told to expect that the amount to be paid will be reduced rather than to expect receipt of a refund.

Mr. Johnson asked when they could expect to see the school district warrant articles.

Mrs. Vaughn said the proposed articles will go before the School Board at their next meeting on Jan. 2.

Mr. Brown said the district may see some or no revenue from the Keno games and asked if it would be feasible to establish a Special Revenue Fund (SRF) for any Keno funds received to be used to offset future kindergarten costs.

Mr. Johnson suggested they could accept the funds as unanticipated income and assign it to a line item at that point.

Mrs. Vaughn agreed with Mr. Johnson's suggestion.

Mr. Brown said unanticipated income can be spent for anything and that a warrant article could be dedicated to the kindergarten program.

Mr. Johnson said a Special Revenue Fund would require voter approval to expend any funds.

Mrs. Vaughn said Mr. Brown may be suggesting they establish and fund it with any funds that may be received and name the School Board as agents to expend the funds.

Mr. Johnson said the School Board would have a number of options (unanticipated income, SRF and encumbering the funds) and could not say which way would be the best way to handle it.

Mrs. Cardinal asked if there has ever been a warrant article to address potential income.

Mr. Brown said this is done with revolving accounts all the time.

Mr. Johnson said this would not meet the definition of a revolving account and that the Town has a number of Special Revenue Fund accounts for potential income such as the for the Building Inspector and the Police Outside Details. He said the amount of income to these accounts changes every year and noted that about 4 years ago the Building Inspector's account received very little income. He said there is usually some income but the amount is completely unknown. It's something that could be done he said.

Mrs. Vaughn said she would run the idea past the School Board.

Mr. Brown asked if the school district representatives would be available when the committee reviews the proposed school district budget line by line.

Mrs. Vaughn said she would not be able to attend the Dec. 27 meeting but if the members have any questions they can relay them to her through Mrs. Cardinal.

Mrs. Cardinal noted that the Dec. 27 meeting is the regular monthly meeting of the Bud Com and asked if a review of the proposed school district budget would be included on the agenda.

Mr. Brown said a public hearing on the school budget is scheduled and that the committee usually deliberates the proposed budget after the public hearing.

Mr. Johnson said the public hearing on the proposed school budget is scheduled for Jan. 3 and suggested the committee could discuss any questions they might have under New Business on Dec. 27 which would give Mrs. Cardinal time to relay questions to the SAU or School Board in preparation for the public hearing.

Ms. Arcouette thanked Mrs. Vaughn and Ms. Verville for attending the meeting.

Mrs. Cardinal said the answer to Ms. Mitchell's question about the Technology percentage of the proposed budget is 1.7%.

Other Business:

Delay Request- Mr. Johnson said the Selectmen and the Town Administrator would like to request an extension from the Jan. 4 date of providing the written Town budget to the Budget Committee. He said the request was made because when he drew up the proposed calendar for

the Town he didn't realize that the Christmas and New Year's holidays both fell on Mondays which is usually when the Selectmen meet. He said they have added two Selectmen's meetings on Tues., Jan. 2 and Fri., Jan 5 to make up for the missing meetings due to the holidays. He asked if the date could be delayed to Jan. 10 to provide time to finalize, print and distribute the Town budget to the committee.

Chairman Arcouette called for a motion on Mr. Johnson's request.

Motion: (E. Johnson, second Brown) to delay providing the Town budget written documentation to the Budget Committee until Jan. 10;

Discussion: Mrs. Cardinal asked when the presentation of the Town budget to the Bud Com was scheduled.

Mr. Johnson said the presentation to the Bud Com is scheduled for Jan. 17.

Mrs. Cardinal said this will provide one week to review the Town budget before the presentation and asked about the logic behind the request that the school district budget be provided to the Bud Com by Nov. 20 for the presentation on Dec. 12.

Mr. Brown said was due to the Thanksgiving holiday and that there is a lot more volume to the school district budget due to having both a regular operating budget and the default budget to review. He said the Town is not under the same scheduling timelines as the school district because of their SB2 designation and there is more time to review the Town budget. He said he didn't see an issue with the extension.

Mrs. Cardinal asked when the Public Hearing on the proposed Town budget was scheduled.

Mr. Johnson said the public hearing is scheduled for Feb. 13.

Vote: The motion passed 9-0.

First Night- Mrs. Arcouette displayed a flyer that is posted in several local businesses advertising the sale of buttons for the First Night activities at a cost of \$5 each. She said each button is numbered and there will be a drawing where one person will win 50% of the proceeds from the sale and the remaining 50% will be used to fund First Night next year. She listed the some of the activities planned and advised buttons must be worn to participate in the activities. She encouraged everyone to come out and enjoy the event.

Next Meeting: Dec. 27 at 7 p. m.

Adjournment:

Motion: (Connolly, second E. Johnson) to adjourn the meeting passed unanimously at 7:45 p.m.

Respectively submitted

Kathleen Magoon, Recording Secretary

Sylvia Arcouette, Chairman

