

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, January 10, 2024
Selectmen's Chambers
356 Main Street-Farmington, NH 03835

Committee Members Present:

Joe Pitre, Chairman
John Deering, Vice Chairman
Doug Staples, Selectmen's Rep
Jessica Parker, School Board Rep
Jim Horgan
Bob Morgan
Heidi Mitchell

Committee Members Absent:

Angie Cardinal
Jenn Haskell

Others Present:

Jim Doig, SAU 61 Superintendent Designee
Mackenzie Campbell, SAU Business Admin.
Mary Barron, School Board Member
Tim Brown, resident

1). Call to Order:

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

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Public Hearing:

A Public Hearing of the Farmington Budget Committee regarding the 2024 presentation of the School budget on January 10, 2024 with a snow date of Thursday, January 11 at 7 p.m. in the Selectmen's Chambers, 356 Main Street, Farmington, New Hampshire.

Chairman Pitre opened the Public Hearing at 7:05 p.m. and asked the Superintendent and Business Administrator to come forward and introduce themselves to the public.

Business Admin Mackenzie Campbell said joining him is James Doig who is the Superintendent Designee of SAU 61, Farmington School District. He said tonight they are here to formally present their budget to the Budget Committee who has already received a demonstration of this budget as well as copies of the information as well as their warrant articles for the upcoming Deliberative Session in February. He then gave paper copies of the 2024 School Warrant and the 2024-2025 proposed budget to the committee.

Mr. Pitre said he would like to do the budget first and that they asked for their remaining staff document with how many people they have working, what they make, how many positions they filled and not filled and he asked him that question at the previous meeting.

Mr. Campbell said he had to give it to Mr. Pitre today and the document in question is with him right now. He said it is their staff cost worksheet and it will verify what he is reading to them now. He said its 189 positions not including substitutes, 16 positions remain open.

Mr. Staples asked if he just e-mailed that over to them.

Mr. Campbell said he e-mailed it to Mr. Pitre and that he could e-mail it to them.

Mr. Staples asked him to start over.

Mr. Pitre said he planned to recess the hearing tonight and continue it next Wed. and all of the information they ask for tonight they should get by next Wed.

Mr. Campbell began again and said the district has 189 positions not including subs as of their recent evaluation, 16 positions remain open (2 maintenance, 4 Para's, 7 teachers and 3 transport).

Ms. Mitchell asked if they have 189 filled positions.

Mr. Campbell said there are 189 total positions.

Ms. Mitchell said 189 positions, 16 positions out of all 3 schools are open and the numbers he just read off is what makes the 16.

Mr. Campbell said that's correct.

Mr. Pitre asked what that represents as far as money for the 16 and the total positions.

Mr. Campbell said the total cost of those positions-he said he couldn't definitively say a cost in case some come in at higher steps so he used an average.

Mr. Pitre said he has a budgeted amount for those 16 positions.

Mr. Campbell said he took an average of the most common that they would hire.

Mr. Pitre said no whatever the highest is because they may have let go a teacher that was getting \$100,000 and hire someone at \$60,000 there's \$40,000 that's not budgeted.

Mr. Campbell said he took an average and tried to hit the middle point and the number that he came to is \$879,368.20 which includes FICA, retirement, medical and dental if those positions receive it. He said it appears one of those is a grant position as well but he believes that's the one they ended up filling through Power School so he took the number out of this equation so it's actually 15 positions and that's the same number.

Mr. Staples asked how many positions they transferred from grants to the budget this year.

Mr. Campbell said six.

Mr. Pitre asked if he put those in a warrant article.

Mr. Campbell said there are 2 additional warrant articles one is for Mainstay and the other is a warrant article for the School Resource Officers and the remainder of them is in the proposed budget.

Mr. Pitre said he thought we have a policy that once the grant goes away they become warrant articles and let the public decide.

Mr. Campbell said Mrs. Barron may be able to speak to that if not but he thought the actual wording was if they didn't exist...

Mrs. Barron said the agreement was if they had previously been in the budget as a line item and then they utilized ESSER money to pay those same people saving the taxpayers those dollars then they would come back. She gave the example of the SRO's that have been in operating budget for many years and it qualified to be paid out of ESSER so it remained there. She said it's still there but the payment source became ESSER so now if it was in the budget before and they saved people money by using ESSER that's what they did but those are ones that we had and they were just fortunate enough with ESSER to be able to slide some of the liability off in to the grants. If it was something that was created because of COVID such as a Learning Manager or something additional because they were dealing with COVID that is either going to go onto the warrant or it goes away she said.

Mr. Campbell said it was a total of 6 that they tried to budget for and most of them are school positions that they had in the past. He said the SRO's are unique because when they put that into ESSER they dropped the appropriation to zero so the attorney had them put a just in case warrant article on there so the warrant article would only be activated if the proposed budget fails and the warrant article is voted in. He said if both are voted in then the warrant article disables itself.

Resident Tim Brown said he served on the School Board during the ESSER money off the top of his head he could think of 3 positions and the Data Manager was never in their budget it was created under ESSER. He said the Math Interventionist at the middle school and the high school was created under ESSER, the English Interventionist at the middle school was an ESSER position and there would be 3 other positions that he doesn't know off the top of his head. He said the school Psychologist was one that was a budgeted position prior to that was moved to ESSER, there was a Social Worker position that was budgeted in the budget prior to that was moved over to ESSER but he was missing one position. But there are at least 3 positions in that 6 that never existed prior to ESSER he said.

Mr. Campbell said the warrant article doesn't include the Interventionists or the Speech Assistants so he was being transparent. He said they are in the proposed budget.

Mr. Pitre said if they weren't before they should be in a warrant article now.

Mr. Campbell said okay.

Mr. Pitre said it's the legislative body that decides. He said the Data Manager is the same way it's nice to have and would maybe make things work a lot easier but they have to sell that.

Mr. Campbell said the proposed budget represents a total increase of 2.68% over the previous year's budget, a change of \$442,040 and the total amount they are proposing is \$16,483,355.

Ms. Mitchell asked if he had a total for what all of the warrant articles equal.

Mr. Morgan asked if he said their proposed budget was going to be \$16 million.

Mr. Campbell said the proposed portion without any grant expenditures or offsetting revenues is the \$16,483,355.

Mr. Morgan said that's quite a bit of a difference between that and Article #3 at \$18 million.

Mr. Campbell said the warrant article is different than what they're actually proposing and the warrant article has to include their appropriations for grants which are offset by the grant revenues and then their Food Service Fund which is offset by the Food Service revenue that they collect.

Mr. Morgan asked if that is collected from the federal government.

Mr. Campbell said the Food Service Fund is like a business that they operate so the idea is that it pays for itself because they're feeding the children but they're paying for their food. He said the cost that they can't get from the children they get part of that from the feds in the form of Child Nutrition through the National School Lunch Program and the Fresh Fruits and Vegetables Program. He said if you add those amounts to their proposed budget you get the \$18,199,392 number which is listed in Warrant Article #3.

Mr. Staples said last week they talked about the power project and how he was going to separate it and show what the power bill actually was and what was going to be for leasing the equipment and asked if he broke that up in this.

Mr. Campbell apologized and said he did not and that he wasn't taking notes during the meeting but he can do that live in front of him if he wanted.

Mr. Pitre said maybe that is something they can do next week but that is one of the things they should have.

Mr. Staples said for transparency and it will also help him sell the project better too.

Mr. Campbell said they would make that change and that was a great question.

Mr. Brown said in reading Warrant Article #3 which he was sure was passed by legal but it may have been missed, he agreed that they are raising and appropriating the \$18 million and asked if there should be a second in there saying of which \$9 million or whatever that magical number is, is to be raised by taxation. He said he thinks it is missing a line within that appropriation.

Mrs. Parker asked if they should stay on task and when they get to the warrant articles they can look at that.

Mr. Pitre said they are talking about the total budget which is an article.

Mr. Brown said that is what they're talking about now and that is the budget.

Mr. Campbell asked what order they want to do this in.

Ms. Mitchell said she feels like they are all over the place.

Mr. Pitre asked if this was checked by legal.

Mr. Campbell said yes and that the attorney sent him that copy and that he copied the wording from last year's warrant that was also checked by legal. He said if there is a change that needs to be made he can go ahead and get that done.

Mr. Pitre said they want to get it right because we've been there before.

Mr. Morgan asked if the school budget they are proposing was built on last year's budget ending in June of this last year.

Mr. Campbell said their starting point was the actual expenditures as of June 30.

Mr. Morgan asked if they added in the cost of living increases.

Mr. Campbell said that's correct and that was the 2%.

Mr. Pitre asked what that was and what number they ended up with.

Mr. Staples said he assumed the cost of living increase is part of the contract.

Mr. Pitre said that is part of the contract.

Mr. Campbell said the actual expenditures as of June 30 last year were \$14,779,523.19.

Mr. Morgan asked if there were any one time expenditures in that budget.

Mr. Campbell said he was sure there were.

Mr. Morgan asked if there was a one-time expenditure of \$245,000 for paving.

Mr. Campbell said the paving project sounds familiar but he doesn't have any direct knowledge of it.

Mr. Pitre asked if that came out of Capital Reserve Funds.

Mr. Campbell said looking back at last year's warrant it was written in such a way that it allowed for a withdrawal from the fund in the text of the warrant article and it was a 2 part process.

Mr. Morgan asked if it has been paid.

Mr. Campbell said he did not come prepared to answer that question.

Mr. Morgan said maybe the Superintendent can answer it and either the parking lot has been paved or it hasn't been paved.

Some members said it has been paved and they remembered them doing it.

Mr. Morgan asked if that was a one-time expenditure why those numbers would be carried forward.

Mr. Campbell said there is a \$245,000 sprinkler project.

Mrs. Barron said the \$245,000 that he is referring to was a combination of 3 transfers- \$200,000, \$15,000 and \$20,000 out of the unexpended fund balance that went into Capital Reserve Funds so those would be considered a one-time deal. She said they are part of what they spent, the \$14,177,000 that they spent because in order to do that you have to transfer the money over.

Mr. Morgan asked why those numbers would be carried over into the proposed budget for next year.

Mrs. Barron said they probably missed that. She said when they look at the totals spent they look at the Fund 10 Expenditure Report for June 30 after all the bills have come in and have been paid and the checks have all cleared and then they wind up with a number of what they spent. She said within that \$14 million number is the \$245,000 representing 3 different warrant articles transfers.

Mr. Morgan asked if these warrant articles are for this year or last year.

Mrs. Barron said they were for last year.

Mr. Morgan said so they shouldn't be in this year's budget.

Mrs. Barron agreed they shouldn't be in this year's budget and they probably are in this year's budget.

Mr. Morgan asked why they would carry something that was a warrant article over into the following year.

Mr. Campbell asked what part of the budget they were referring to.

Mr. Pitre said those come out of the undesignated fund balance and if you have money left over at the end of the year you make Capital Reserve Fund contributions and he knows that happened because he is on the Trustees of the Trust Funds and he did see those. He said instead of turning it back to the taxpayer you take it out for incidentals you may need later on for other things.

Mr. Staples said Mr. Campbell made the comment that they went off of what they spent last year and put in the 2% raises and all that and Mr. Morgan is concerned that there is \$245,000 spent for a warrant article is now re-budgeted.

Mr. Campbell asked Mr. Morgan when he reviewed the budget if he saw a line for \$245,000.

Mr. Morgan said not specifically no.

Mr. Campbell said then it is not in the budget.

Mr. Morgan said so he was saying the \$245,000 is not in the budget.

Mr. Campbell said if he did not see a line for it that's correct.

Mr. Morgan asked if anything that comes up as a warrant article is not normally added to the proceeding budgets.

Mr. Campbell said not automatically and in this case the way they build their budget it is not because he uses the lines that are there to do it. He said if there was paving project line with \$250,000 in it that could have gotten carried forward but if there was no line for \$250,000 and they spent the funds out of a different line reserved for special purposes or something on the balance sheet it wouldn't be there and it wouldn't have been carried over.

Mr. Morgan said he has dealt with budgets before and it's disturbing that they're moving money around to spend on different items that were not in a line item budget.

Mr. Campbell said warrants are approved by the taxpayers.

Mr. Morgan said that's correct but they shouldn't be carried over from the preceding year.

Mr. Campbell said warrants have to be voted on every year and asked if he saw \$245,000 in there and that he was confused.

Mr. Pitre said it was a warrant article to take money out of the undesignated fund balance at the end of the year and was part of the last year's budget. He said there was a proposed budget, they didn't spend it so instead of giving it back to the taxpayers you have a warrant article that says you can put this money into the Buildings and Grounds Capital Reserve Fund.

Mr. Brown said in June 30, 2023 ending school budget within that \$14.7 million number that was spent that was started on the budget that includes \$245,000 in one-time expenditures in that total so if that's where they started their budget there's the \$245,000. He said then they

took the ESSER funded positions and the inflationary items and added it on top of that number. He said so the \$245,000 was in that starting number of that budget.

Mr. Pitre said so it's over budgeted basically. He asked what was given back to the taxpayers.

Mr. Campbell said \$1.4 million was returned to the Town.

Mr. Pitre said that was what was left over and asked if they can't carry forward more than 5%.

Mr. Campbell said 5% of their net evaluation.

Mr. Pitre asked for that number.

Mr. Campbell said they retained \$245,000 for their sprinkler project under the 5% rule.

Mr. Morgan asked if it is normal procedure to carry over for the following year unspent money on your books at all.

Mr. Campbell said he understood what he was saying better now and with Mr. Brown's comments if they took the same number that the \$250,000 was part of it then it would be part of that number and that's how they built the budget and that wouldn't be common procedure to do that if he had know about such a project.

Mr. Morgan asked if it is normal procedure to carry over monies that are unspent.

Mr. Campbell said all money has to be returned to the Town unless you retain it or it's validated through a warrant article that would be voted on in March. He said then they would go to the end of the year and look at the end of the year balance.

Mr. Morgan asked if they were going to have any unspent monies from their school budget from last year.

Mr. Campbell said it's already been returned to the Town.

Mr. Horgan said that was the \$1.4 million.

Mr. Campbell said the default budget number they are proposing is \$16,490,457.28 or a \$449,142.86 increase over the previous approved budget which was \$16,041,314.42.

He said that was both of their propositions for budgets and if they have any questions he would open it up to board so they can get that flushed out.

Mr. Morgan asked if he knew how long the unfilled positions have been unfilled.

Mr. Campbell said he did not know and those positions are more directly overseen by their Supervisors and this is information he developed back in early Dec. and they've had people leave since then too. I'd have to run another analysis he said.

Mr. Horgan said last week was the default budget was \$16.4 million or something like that and this is \$700,000 or so short which is supposed to be compensated for in warrant articles because the default budget was actually more than that.

Mr. Campbell said their proposed budget is \$9,000 less than the default budget but the default budget does not have the appropriations they need to continue the SRO's or the Mainstay contract which is their IT and security vendor. He said they put warrant articles for the Mainstay and the SRO's as the 2 most important things that they need if they go to the default budget.

Mr. Horgan asked if the default budget is reduced by the warrant articles that were on there

last year.

Mr. Campbell said it wouldn't be reduced.

Mr. Horgan said that's spent money, that's contracts and that sort of thing, it's all committed money.

Mr. Campbell said its committed money with absolutely necessary increases.

Mr. Horgan said the warrant articles that are going on this year have nothing to do with the previous budget and everything is brand new.

Mr. Campbell said that's correct. He said the warrant articles they will be choosing can only be paid if they have money at the end of this year but they don't depend on the previous budget.

Mr. Pitre said except for those new positions and they're asking for warrant articles to authorize those positions.

Mr. Campbell said the School Board did not vote on adding those positions to the warrant last night.

Mr. Pitre said they are asking the legislative body to authorize those positions. He said the School Board asks hey we would like to add these positions and they can say yes or no. Just like teacher contracts they are the ones who authorize teacher contracts if it's a good contract or not he said.

Mr. Campbell said they go with the will of the voters-100%. He said the board would have to rectify that.

Mr. Pitre said that is why he is going to recess this at the end of the public hearing so they can debate this further.

Mr. Campbell said it sounds like there is still time to have that done.

Mr. Pitre said they can recess this until next week at a time certain which is 7 p.m. He said he would like to see an organizational chart with numbers with what people make.

Mr. Campbell said he has it in his e-mail right now.

Mr. Pitre said they would discuss that next week and asked if anyone else had any questions.

Mr. Morgan asked if the LED project they signed onto last year was to replace all of the florescent lighting in all the buildings.

Mr. Doig said it is to replace all of the florescent lighting in all of the buildings but the only room that has been done so far is the gym at the high school.

Mr. Morgan asked if that was on a warrant article or in their budget.

Mr. Campbell said it was not in a warrant article and it's a municipal lease.

Mr. Morgan asked if it was true that it was a \$600,000 project.

Mr. Campbell said it was a \$600,000 project in total cost over 6 years cost. He said they have a 7 year warranty and \$130,000 coming from Eversource that helps subsidize that.

Mr. Morgan asked if they pay for that from the cost savings on electricity.

Mr. Campbell said that's correct.

Mr. Morgan asked isn't that a presumption and that they are presuming the electric rates are

going to remain the same.

Mr. Campbell said the higher the rate the more they save because if it goes up they're saving more money because it's such a decrease in the cost of electricity.

Mr. Morgan asked if they put in an automatic amount each year for electricity.

Mr. Campbell said they don't have to change the electricity budget because they are anticipating the electricity payment to go down and the amount in those lines to cover the lease payment.

Mr. Morgan asked if the higher it goes the more they save.

Mr. Campbell said that's correct and if they save 10% over what they have now 10% of 100 is 10 and 10% of 200 would be 20 so on and so forth.

Mr. Doig said with the money that is in the budget is based on what is expected to be spent based on the current florescent lighting but when the florescent lighting is swapped out with the LED lighting that's where the cost saving realization comes in and they take that cost realization and they use that to pay what would be a bill on the lease so there's no cost it's budget neutral.

Mr. Morgan asked if there is a minimum that they have to pay to this project to the company that is doing it. He asked what if the rates go down and their savings would be less.

Mr. Doig said he would come back to him with an answer to that question.

Mr. Morgan said it seems like a nice project but it's not built on anything stable because electric rates are just like gas prices-they could go up they could go down.

Mr. Staples asked if they locked in on a power rate like the Town has.

Mr. Campbell said they do a 3 year contract but he didn't know when it was signed.

Mr. Pitre asked if they do it with the Town.

Mr. Campbell said his philosophy is to not only do it with this town but to try to get other towns in it too. He said they can only do that with oil and propane and to do an energy agreement is a bigger process where the Board of Selectmen and multiple towns have to get involved and get a coalition for energy but he thinks they can do it with their own town.

Mr. Pitre said they've done it before with the Town and it can be quite expensive if they don't.

Mr. Brown asked what line item within the budget this municipal lease is being paid for.

Mr. Pitre said his understanding is it's from the electricity line.

Mr. Brown asked what the definition of an appropriation is. He said you raise and appropriate money for a purpose and in this case the purpose assigned to that line item is electricity not a municipal lease. It's a misapplication of money period he said.

He said the RSA on municipal lighting projects requires it to go out to bid but there is no bid on the contract which the contractor is well aware of because he told him when he was Chair and there is no bid on the finance agreement that he saw posted they went with the contractor's buddy. Its law he said.

Mr. Staples asked if he knew the RSA number.

Mr. Brown said the definition of appropriation is under RSA 32 but he didn't know the number for the municipal lease law and he would have to get it for him.

Ms. Mitchell asked if they were voting on anything tonight.

Mr. Pitre said no.

Ms. Mitchell said then she is done and if they're not going to vote on anything and they're going to come back...

Mr. Pitre said she signed up for this and if she didn't like it then don't sign up next time.

Ms. Mitchell laughed and said she didn't plan on it but she was just saying he was asking them to come back next week and if they are not going to do anything tonight then how long are they going to discuss...

Mr. Pitre said they are doing something they're asking questions and if she has any questions he would like to hear them.

Ms. Mitchell said she didn't have any questions.

Mr. Doig said with all due respect he appreciated what they're asking and they will get the answers they are looking for.

Mr. Pitre said he appreciated that and that's what they're here for because he'd just as soon be someplace else too. He said if it was his money he could speak for himself but it's not his money and he's very, very watchful of money.

Mr. Doig said with all due respect to the public comments the current school administration chooses to work above board and any lack of a substantive response is not meant to indicate that they're operating otherwise.

Mr. Pitre said this isn't an attack and they are trying to find answers and they would like to make an amicable agreement. He said they could work it out and they could be done next Wed. and everybody is happy and they've done their job.

Mr. Doig said he is quite pleased to be working with all of them.

Mr. Pitre said the feeling is mutual and there is a lot to this and it's not easy.

Mr. Morgan said it's not a rubber stamp.

Mr. Pitre said it's not and if people feel that way they shouldn't be on this board because you have to ask the tough questions. He said it's not automatic and you can say it's for the kids but the kids are the ones that are probably hurt the most.

Mr. Horgan asked if next week they are going to have the proposed budget and an accurate number for the default budget and the total of the warrant articles and the answers to the questions that they asked here tonight so they can vote on this budget and if that's the plan.

Mr. Pitre said they can go over some of the warrant articles this evening if they would like and that's up to the board.

Mr. Horgan said he wanted to make sure if they are going to come together next week that they have all the information that they need to act on it.

Mr. Pitre said they need to get this done because it has to be put in the proper format and

passed on to the Deliberative Session.

Mr. Campbell asked if the board would find it fit to retain all of this documentation and funnel their concerns to someone that could reach out to him and he can expressly do these things.

Mr. Pitre said that is up to these folks here.

Mr. Staples asked if he could pull out how much is going to the power bill and how much is going to the project.

Mr. Campbell said he should have that and searched for it on his computer.

Mr. Horgan asked them to make sure they have the most up to date paperwork for Wed.

Mr. Pitre said the added positions that should be in warrant articles are Data Manager, high school Psychologist...

Mr. Brown said the Psychologist and a Social Worker position existed in the budget prior to as did the SRO's.

Mr. Pitre asked if that originally came from a grant.

Mr. Brown said no it was raised by taxation and in order to reduce the tax rate the School Board voted because it was authorized under ESSER to fund them under ESSER vs. putting it on the tax rate.

Mr. Campbell said in answer to Mr. Staples' request that they gave them a more in depth project breakdown but he didn't have it with him.

Mr. Pitre said some of these articles they could vote on tonight if they want or they can wait until next week.

Mr. Brown said he had an issue with Warrant Article #4.

Mr. Pitre asked if they wanted to do that tonight.

Mr. Brown said if not, they're going to lose over \$1 million.

Mr. Campbell asked to let Mr. Brown speak to it just in case.

Mr. Brown said Warrant Article #3 is going to raise and appropriate \$1,350,565.44 our ESSER appropriation is \$3,890,673 and as of 5 p.m. tonight they've spent \$1,210,062 out of that account which leaves a balance of \$2,680,611.

Mr. Campbell said the majority of which has been budgeted the remaining amount constitutes the amount that's been appropriated but not put into the budget for specific spending.

Mr. Brown said looking at this year's budget you raise and appropriated \$1,100,000 out of the ESSER money in this year's budget. He said they have already spent almost that because they started their year with somewhere around \$90,000. So don't take my word for it and raise up to it and lose over \$1 million he said.

Mr. Campbell said they just need to have a deeper discussion with Mr. Brown.

Mr. Brown said he is a taxpayer and he needs our School Board to hire competent people.

Mr. Campbell said they should have a discussion about the point Mr. Brown is raising and get to the bottom of it so we know that we're doing the right thing.

Mr. Pitre asked if they can have that answer by next week.

Mr. Campbell said he and the attorney went through this together today.

Mr. Staples asked on Article #4 if the only thing they're trying to do is spend the rest of the money that's not already planned for.

Mr. Campbell said that is what he is saying.

Mr. Brown said this year's appropriation under ESSER is \$1,100,000 that's all they can spend up until June 30 because of the way the prior Superintendent budgeted. He said originally it was unanticipated revenue when she brought it into the budget you no longer have the leeway of unanticipated revenue you have to budget it. You're at your number now that you budgeted if you appropriate this in March...

Mr. Campbell said there was more budgeted out and he didn't know what he was talking about.

Mr. Brown said he sat at this table and wrote that budget.

Mr. Campbell said he could show him the portal where this...

Mr. Brown said the portal is not the Budget Committee's or the warrant article budget.

Ms. Mitchell asked if this is a question for the School Board and not for here.

Mr. Pitre said they need to get it straightened out.

Ms. Mitchell said this isn't a question for them this is something that's to the School Board.

Mr. Pitre and Mr. Morgan said this is a public meeting.

Ms. Mitchell said they don't have the School Board to answer the questions.

Mr. Pitre said technically they do.

Ms. Mitchell said no they don't.

Mr. Pitre asked her if she would like to take over the meeting and offered the gavel to her.

Ms. Mitchell said no and that this seems like something that needs to be brought up at the School Board level not here at the Budget Committee.

Mr. Pitre said it's already out of the School Board's hands and this is the Budget Committee's budget right now.

Mr. Staples asked when they have to have everything appropriated.

Mr. Brown said the ESSER port where the money is budgeted is an internal Dept. of Education portal. He said that's where they're saying this is the grant money they're going to receive and this is what their intent is to spend the money on. He said the budget that allows them to spend that is you appropriation.

Ms. Mitchell turned to Mrs. Parker and said this is a waste of her friggin' time and left the meeting at 7:50 p.m.

Mr. Campbell said he didn't know what has already been accepted by this board but if that's the case the previous Superintendent budgeted beyond what was allowed for the appropriation.

Mr. Brown said he agreed with that statement but you only can spend what the taxpayers appropriated for what they could spend.

Mr. Campbell said he would argue that this is not his own incompetence.

Mr. Brown said he was not saying that it is.

Mr. Campbell said he wished for the board to hire competent people and he is trying to get to the bottom of the issue.

Mr. Brown said he raised an issue that our children are going to lose over \$1 million in funding and he is brushed off with his comment that it was already budgeted. He said with his intimate knowledge he didn't think there was anybody sitting in this room that knows the School Board budget better than he does and he is telling them they are over \$1 million off because you have to appropriate that money. What March is going to do is send you a life jacket that once the taxpayers say you can spend up to \$2,680,611 then you're good to go and you're not subject to removal for spending money that wasn't appropriated. The DOE portal means nothing in the budget he said.

He said if he was sitting on the School Board which he is not he would amend Warrant Article #4 to raise and appropriate up to \$2,680,611 then they can spend every penny that they have available of ESSER money. He said the Budget Committee can't amend a warrant article they can only recommend or not recommend it so that's up to the School Board to fix Heidi was correct there.

Mr. Pitre told Mr. Campbell they need to correct that at the School Board level and bring it back to the Bud Com.

Mr. Campbell said he didn't know the full history behind this grant thing.

Mr. Horgan said so of the \$2 million we've already spent \$1 million.

Mr. Brown said we were eligible for \$3,890, 673 in ESSER III. He said out of that to date they've spent \$1,210,062 leaving a balance of \$2,680,611.

Mr. Horgan said that is the amount they want to ask for in the warrant article.

Mr. Doig said with all due respect he would ask the School Board to look into this issue further and with all due respect to the public speakers their supposed knowledge of the budget given its history he can only take that at face value and they will look into it further and come back with an answer.

He said there was one question that was asked last time that he came prepared with an answer for. He said Mr. Pitre asked for the number of students who were placed out of district and the total number placed out of district is 7 at a total cost of approx. \$441,000. He said given the competence of the folks that he works with some of whom are not present tonight they were able to create an in-house program at the elementary school level that saved the district from having to send additional students out. He said they work within the confines of the budget and the laws that they have to operate under and they still have room to be creative to do the best for our children.

Mr. Pitre asked how many students they have taken out of Spec. Ed. that have been rehabilitated. He asked if there are about 170 kids that need Spec. Ed. services.

Mr. Doig said as an approx. number yes and he will look into that. He said those numbers

fluctuate and he will get him an approx. number.

Mr. Pitre said they fall off a cliff if they're not taken care of. He said 65% of people in NH state prisons do not have a high school education or equivalent which is a big issue.

Mr. Staples said you can force them to go to school but you can't make them learn. He said you force in school and they're going to screw up everybody else's education.

Mr. Pitre said we have to figure it out because we're going to pay for it. If you don't pay me now you'll pay me later he said.

Mr. Brown said the warrant articles that are being funded out of the fund balance the warrant is showing a tax impact and typically the custom of this town is not to show a tax impact because it is being paid for out of the fund balance but it can be done either way. He recommended that it doesn't show a tax impact as something new because you're faced with a school tax rate that's going to go from \$12.75 to \$16 potentially before cuts. He said even though its 2-3 cents and 4 cents here as you add those up you have a tax impact and people may vote no.

Mrs. Barron said we've already paid taxes on that if it's unexpended funding.

Mr. Campbell said it would be the impact if it was not returned to clarify.

Mr. Staples asked if that's how much the tax rate would have dropped if the money was returned instead of held is what they were trying to say.

Mr. Campbell said that's correct and he was trying to be transparent and that's how they wanted it put on the warrant.

Mr. Staples said even on the Town side if it's coming out of the undesignated fund balance it's not (a tax impact).

Mr. Campbell said it's not a true tax impact it just an impact as if they hadn't spent the money. He said instead of spending it had they returned it, it would have been worth this much on your tax rate.

Mrs. Barron said she would like to speak briefly so between now and when they come back there is a little better understanding of Articles #10 and #11. She said in the proposed budget those 2 positions are in there so if the proposed budget passes that's fine and if they're there they're covered. She said there is only an \$8,000 or \$9,000 difference between the proposed budget and the default budget so because these were considered by the attorney to be non-allowable in the default budget if the proposed budget fails and the default kicks in those 2 positions cannot be funded. They were not allowed to be brought forward into the default she said.

She said Article #10 addresses the IT contract so the only time that's really going to matter is if the voters vote down the proposed budget. She said if they vote in the proposed budget we're golden and these will just go by the wayside. She said they put that in there to protect in the outside chance that the proposed budget fails and they enact the default then it's up to the voters in Articles #10 and #11. She said Article #10 is for Mainstay which is the people that

operate their IT and Article #11 is the SRO project. We're not double dipping-they're in the proposed budget but they're not in the default budget so these 2 articles cover us in the outside chance that things have been known to happen there's not a lot of money between the two she said.

Mr. Pitre said they're written that way too so those 2 are fine.

Mrs. Barron said normally this would be a much larger amount before this went to legal to have the default baptized there was about \$300,000 between the two and actually it was the difference between the sum of Articles #10 and #11.

Mr. Staples said that is \$300,847. He asked if they're so close in number right now and the default budget doesn't have that \$300,000 in it where all the extra money in the default budget is going.

Mr. Campbell said it's the same budget as the year before.

Mrs. Barron said when you get with the default they say you didn't get what you wanted so we're going to start over and use last year's budget and that's the number. She said there are some things that are not allowed one-time expenses like a big party so when it goes to default their staff and the attorney get together and they start with last year's budget, they yank out anything that's considered a one-time and that's what happened with Mainstay and with the SRO program. They were not to be considered on-going and they got yanked out and that dropped it down to only \$8,000 difference and that's not a lot of money she said.

Mr. Brown said he watched part of the School Board meeting Monday night and there was an analysis of how to fund warrant articles and a financial analysis of what our fund balance would look like. He said this is the last year because of the way they built their budget that you're going to have any type of significant fund balance.

He said if you track this year's spending they're at their 6th month and they are at or below last year's spending. He said last year they returned \$1.4 million plus the money that was put into contingency so you're talking \$1.6 million. He said there was \$500,000 on the balance sheet that was supposed to be returned for the last 2 or 3 years that's never been returned and now you're up to \$2.1 million.

He said now is the time to look at that money and look at your warrant articles and fund conservatively what you can fund because if you hit no fund balance there is no money going into that for roofs, buildings and things like that. He said if you don't budget it after next year that becomes an appropriation so the rebound to that is next year if you return \$2 million to the taxpayers it's a good thing and our tax rate is going to go way down.

He said but we went from spending \$14.7 million to now we're going to spend \$16 million so the year after that it's going to go way up and if a furnace goes and we need to replace 2 because they were built at the same time now there's more tax money on top of that. There's a smart way of budgeting and the analysis the other night wasn't the best analysis on the budget because if you track your spending this year you're at or below last year, you're going to have

the \$1.5 million plus you have another \$500,000 in the bank that's taxpayer money he said. Mr. Pitre suggested the committee could "chew" on the rest of the warrant articles and then asked if anyone had any questions on those warrant articles.

There were no other questions from the committee.

Mr. Pitre said they know what they need and they can get over this without much pain.

Mr. Campbell said they will do their best to get this all done for them and bring the best product they can absolutely deliver.

Mr. Pitre asked if they had any questions for the committee.

Mr. Campbell said no and that this has taught him a lot about how this needs to be done.

Mr. Pitre said they're trying to do their best here and they are not experts.

Mr. Doig thanked everyone for being here tonight and even though they have been talking dollars and cents and how important that is he wanted to thank the previous School Boards, Budget Committees as well as the Town of Farmington as a whole because he has said it before and he will say it again in terms of our student performance between 2021 and 2023 in the areas of English, math and science we've seen nothing but growth. He said a comparative analysis that was done informally today between our district and districts in this state of similar size shows that the percentages that they're seeing this year in terms of proficiency puts us at the top of the list. So no matter how we turn out budget-wise you all are doing awesome for your kids and it's a privilege to serve your community he said.

Mr. Pitre said he appreciated that and that it means a lot. He said it really bothers him that we were 76 out of 82 because the taxpayers have funded education very generously in this town and we need to show growth. He said his component on the House Finance Committee is education and they try to get the money to Farmington and make sure that they get taken care of and they can take that to the bank.

Mr. Brown said the progress that they're seeing is a direct result of the Farmington staff that worked very hard on the Learning Enhancement Committee that laid out that roadmap to improvement. He said he was curious this year how many times the Learning Enhancement Committee has met. He said if that cycle continues what you are seeing now is going to be short lived because that is the roadmap that sent that in progress. Data Management that Giselle Pomeroy is the expert at, the other 2 staff members that were trained at the high school and the elementary school no longer exist so what should be happening district wide isn't happening and we could get better and we could get better without spending money he said. Mr. Doig said he would respectfully disagree.

Recess: Mr. Pitre recessed the meeting at 8:08 p.m. and will reconvene on 01/17/24 at 7 p.m.

Kathleen Magoon, Recording Secretary


Joe Pitre, Chairman

7 Feb 24