

Town of Farmington
Board of Selectmen Public Meeting Minutes
Monday, December 12, 2022
Selectmen's Chambers
356 Main Street, Farmington, NH 03835

Board Members Present:

Gerry Vachon, Chairman
Charlie King, Vice Chairman
Ann Titus
Doug Staples

Board Members Absent:

Penny Morin

Others Present:

Ken Dickie, Town Administrator
Scott Orlando, Police Chief
Kelly Heon, Finance Administrator
Joyce White, Goodwin Library Director
Linda McElhinney, Goodwin Library
Board of Trustees Treasurer
Amy Cornwell, Library Asst. Director
Kyle Gingras, Plodzik & Sanderson P.A.
Manager

1). Call to Order:

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

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Public Input:

Meadersboro Road- Mrs. Titus said she went down Meadersboro Rd. today and it was a little bumpy and asked with the snow now if they were going to be able to do anything with that road.

Mr. Vachon asked Mr. Dickie to have the Highway Dept. check on Meadersboro Rd. and see if they can do anything with that.

Senior Center- Mrs. Titus said when Mr. Vachon and Mr. Staples walked through the Senior Center they noticed some stuff and she thought it would be a good idea if they all walked through it to see what it needs and get a cost estimate and she didn't know if that might be something they could do through a warrant article or as part of the Capital Improvement Plan for the Town buildings.

She said she did not know how many seniors attend the center or how much space they need and they should get some data on if they need more or less space. She suggested they look at available grant funding and to see if the building is historic.

Christmas Trail- Mrs. Titus then thanked the Rec. Dept. and all the people involved with this

event and when she drove by she saw a lot of cars and a lot of lights and it looked gorgeous. She thanked everyone involved again and she hoped that people enjoyed going to that. Mr. Staples said he attended the lighted Christmas Trail and they did a hell of a job.

4).Review of Minutes:

November 21, 2022- Public Session- No errors or omissions

Motion: (Titus, second Staples) to accept the minutes of 11/21/22 as written passed 3-0.

November 28, 2022- Public Session- No errors or omissions

Motion: (Titus, second Staples) to accept the minutes from 11/28/22 as written passed 3-0.

5). Old Business:

Police Dept.-New Cruiser Update- Chief Orlando said he wanted to update the board on the new cruisers and he got a call from Irwin Automotive Group and they have arrived. He said they would like to schedule their pickup for Dec. 23 so he wanted to have an open discussion on the quotes on what the cost is going to be and what Fund 08 is currently sitting at.

Mr. King arrived at the meeting at 6:05 p.m.

Chief Orlando said there are 2 cruisers there and each cruiser is \$35,309 and both cruisers together are \$70,618. He said they don't come fully outfitted for being patrol ready and they use Adamson Industry Corp. in MA to put all the equipment inside. He said he got an updated quote from their sales rep and each cruiser will be set up the same at a cost of \$12,996 per car. That brings the total to \$48,305 (\$35,309 to purchase cruiser + \$12,996 for outfitting) per cruiser so for both cruisers to be purchased and outfitted to be patrol ready is a total of \$96,610 he said.

Mr. Vachon asked for the balance in Fund 08.

Chief Orlando said as of today the fund balance is \$72,103.89 and there is \$24,521.46 in outstanding receivables. He said the Selectmen earmarked \$60,000 on May 9, 2022 for the purpose of purchasing or outfitting the Police cruisers and they do not need that \$60,000.

Mr. Vachon said they need \$24,507.

Mr. King asked if there were any payables against those receivables meaning monies to be paid for things like FICA, Medicare, Medicaid and retirement because that is what is owed to us but wouldn't there be payments owed against that so that is the gross not the net.

Chief Orlando said that is correct and gave Mr. King another sheet to review.

Mr. King read the total outstanding is \$28,000 and the Chief gave \$24,521 and asked if he believes that is the net.

Chief Orlando said they billed and are waiting for \$24,521.46 to come back and be deposited back in. He said they had about 60 hours worth of outside services out but \$72,103 would not put them in the negative.

He said that Adamson's would like the new cruisers to be dropped off at their facility on Dec.27.

Mr. King asked if they can deliver them on Dec. 23.

Chief Orlando said he couldn't schedule the drop off at Adamson's until Dec. 27.

Mr. King said so they will have to make 2 trips.

Mr. Vachon asked if they can delay receiving the new cruisers until Dec. 27.

Chief Orlando said that either way they would be driving up to Laconia and then driving them to Haverhill, MA. He said they would have to come back to the Police Dept. anyways to get the radios and the radars to put them in the trunks to give to Adamson. He said he asked them what the turnaround time was where they're just getting the standard package and they said they think 8 weeks is an appropriate time.

Mr. Vachon said they will need a motion to take the excess out of the American Rescue Plan Act funds (ARPA) because they already motioned it at \$60,000 and they have a hard number now.

Mr. King asked if the hard number was the \$72,000 or the \$72,000 plus the \$24,000.

Chief Orlando said the total for the cruisers and outfitting is \$96,610 and they could take \$70,618 from Fund 08 and that leaves a little bit in there and they could allocate the ARPA funds to outfitting to Adamson's which is \$25,992.

Mr. Vachon asked roughly when they would be ready.

Chief Orlando said March 1.

Mr. Vachon asked if a motion was needed for Fund 08 or if the Chief has control over that.

Chief Orlando asked the board for a motion to take \$72,000 from Fund 08.

Motion: (King, second Titus) to authorize the removal of \$70,000 from Fund 08 for the purchase of the two new cruisers passed 4-0.

Motion: (King, second Titus) to reduce the allotted money from the ARPA funds down to \$26,000 to outfit the cruisers passed 4-0.

Chief Orlando asked if they do that if he could back up and under Fund 08 change it to \$72,610 because the total is \$96,610.

Mr. Vachon said between the two they are giving him \$98,000-\$72,000 from Fund 08 and \$26,000 from the ARPA funds.

Motion: (King, second Titus) to bring the first motion back on the table passed 4-0.

Motion: (King, second Titus) to revise the first motion amount to \$70,618 passed 4-0.

Mr. Vachon said that gives him \$96,618 for the cruisers.

Chief Orlando thanked the board and left the meeting.

6). New Business:

Plodzik & Sanderson Audit- Mr. Gingras said he is the manager in charge of the Town of Farmington audit and that he would going over the 2021 audit report as follows:

Page 1-Independent Auditor's Report- Mr. Gingras said the most important part of their job is to issue this report so this says what the opinions are on the financial statements so he would go through them with the board.

Governmental Activities-the adverse opinion is related to the Town has not gotten an actuarial valuation for its local OPEB liability and the decision was made on a cost-benefit basis that it

didn't benefit the Town to do so based on what the cost was. He said that is why there is an adverse opinion on that and there is nothing else that is missing or incomplete.

He said on all of the opinion units the Town received an unmodified opinion (in accordance with generally accepted accounting principles) so that is a clean opinion and that is what you want. He added that if he refers to any "GASB's" going through this the acronym stands for Governmental Accounting Standards Board and they write all of the accounting rules they follow for local governments.

Mr. Gingras said the auditor's report also outlines the Responsibilities of Management to make sure that the financials are fairly presented, outlines the Auditor's Responsibilities for the Audit and expressing their opinions in accordance with the guidelines. He said it also lists out what the other required information is that's included in the report and there are a couple of additional schedules at the end of the report that are required for financial reporting purposes.

Mr. King said on the adverse opinion this is one we are flagged on every year because the Town doesn't feel that it would be beneficial for us to do the survey that somebody feels is necessary.

Mr. Gingras said GASB 75 is the standard on **Other Post Employment Benefits** and this case it relates to the cost of carrying retirees on the insurance plan after they retire and even if they pay their premium they are part of the insurance pool. He said this GASB statement says the cost of having them as a part of the pool and raising the premiums of the pool would have to be factored in as a liability when they are an employee of the Town.

Mr. King asked even though they as retirees pay 100% of their health care costs.

Mr. Gingras said that is correct.

Mr. King said in essence this standard says to analyze all these liabilities that are getting reimbursed to meet this requirement.

Mr. Gingras said basically yes and they would need an actuary to calculate what the life expectancy is of their retirees, what benefits they receive, the projected rate of return and this type of stuff for the additional actuarial evaluation that is one number that goes on the report.

Mr. King asked how many of their customers that are the same size as Farmington actually does this.

Mr. Gingras said comparable to Farmington it's probably a 50/50 split and it comes down to whether you want to get an unmodified opinion or if you are comfortable with the adverse opinion. He said it is typically not going to have any effect on you unless you are going out for a public bond or if you are issuing any notes through the bond bank it is unlikely to have any effect on your bond rating.

Mr. King said if they paid a portion of the retirement benefits due to a contractual obligation it would be in their best interest to forecast that because they have some future liability but in this case it's because we offer benefits as long as they pay 100% and where that cost is.

Mr. Gingras said that's correct and this statement doesn't require you to fund anything towards the plan itself. He said there may be 1 or 2 towns that actually have separate money set aside

for these future costs it's more of a theoretical number that the standards say is required to be there. He said this statement is comparable to what you would find in the corporate business world where if a corporation went out of business they may still have long term costs they are obligated to even though they go out of business so a corporation would have to fund these liabilities. In a government setting you fund that through a future tax rates so you pay as the obligation comes to you, you don't have to put money aside now for that future cost he said. Mr. King said in our case most of the funds necessary for this liability is not coming from taxation it's coming from the retiree. He said he wanted to get into the details because the people at home might think there is something they are not doing that they should be doing that the Town has historically decided not to do because it doesn't have any impact on the taxpayers.

Mr. Gingras said the Town also has a liability for OPEB pensions as a part of the NH Retirement System and they have an actuarial evaluation for their liability which then all the towns and schools in the state pick up their share so that liability is recorded in here and there is a separate local share that has to be recorded.

He said for presentation purposes he would start at the smaller reporting levels first and build up to the higher levels. He asked the board to turn to Schedule 1 on page 56 of the report.

Page 56, Schedule 1, Estimated and Actual Revenues- Mr. Gingras said Schedule 1 is a budget to actual for revenues for just the general fund and it gives you a good idea as to whether you are over or under on revenues for the year. He pointed out that property tax revenues are over budgeted or they received more than they budgeted for by \$123,339. He said \$100,000 of that relates to a decrease in the allowance for uncollectable taxes because the unredeemed liens subject to deeding went down so they collected a lot more of the outstanding liens. He said as a result the allowance associated with those liens was removed and put back in the tax revenues. He said another line they received additional revenue on is the motor vehicle permit fees so compared to last year there is about \$100,000 more than the prior year. He said this is typically a line that a lot of towns will receive more money than they budget for because generally the budget for this is a little more conservative because you don't want to have a shortfall in revenue.

He also pointed out that in the Misc. Other revenue the Town received \$168,727 more than was budgeted and about \$100,000 of that relates to refunds on insurance so those were just additional unanticipated funds they received during the year.

Page 57, Schedule 2-Appropriations, Expenditures and Encumbrances- Mr. Gingras said this is the budget to actual for expenditures for the general fund and it also includes the effect of encumbrances so the prior year encumbrances will increase your budget and encumbrances to the next year will decrease it because those funds are being carried forward.

He noted that the legal line is showing that it is over spent by \$278,599 and asked the board to refer back to page 33, Notes to the Basic Financial Statements, note 2-C Municipal Budget Law

Violation. He said it says here that you over spent the budget in the general fund by \$106,881 and of that \$272,239 was a legal settlement related to the assessment of utility company tax assessments so under state municipal budget law RSA 32: 9 Exception that allows you to over expend the budget based on legal settlements. So even though the budget is over spent you didn't violate municipal budget law as a result of these settlements he said.

Mr. King asked out of that line which is \$357,599 (legal expenditures) what is the total because there are 2 different settlements with 2 different organizations. He asked for the total the audit showed that they paid in those 2 settlements to Eversource and Consolidated Communications. Mr. Gingras said for Consolidated he has \$49,035 and the rest was for Eversource at \$223,204. He said their expenditures would have been about \$80,000 so they would have been just over budget.

Mr. King said he knew what the cost was but when he said that on the air he wanted to make sure they were clear about what the reasons were for that line and asked if that was because there was no other line that settlement could be put to.

Mr. Gingras said that is correct based on accounting rules that qualifies as an expenditure so it can't be netted against any revenue it has to be reported as an expense and it's a legal settlement so that is the appropriate line to post it to.

Page 58, Schedule 2 (continued) - He said the bottom number in the right hand column is - \$106,881 and that is what the budget was over spent.

Page 59, Schedule 3, Changes in Unassigned Fund Balance- He said this is on a budgetary basis of accounting so he will point out the fund balance that is available to reduce the tax rate as well. He said this schedule starts with the unassigned fund balance from the prior year of \$1,530,669 and out of that \$48,000 was voted to fund warrant articles in fiscal year 2021, there was a revenue surplus of \$509,307 and there was an over draft of appropriations of \$106,881. He said the increase in the non-spendable fund balance (\$10,088) would be things like pre-paid items, inventory or tax deeded property that aren't available to spend so they get classified as non-spendable. He said the increase in committed fund balance (\$247,355) relates to warrant articles voted at the March 2022 Town Meeting that comes from the Dec. 31 fund balance. Mr. King asked if those warrant articles were funded through the undesignated fund balance. Mr. Gingras said that is correct and the total voted was \$295,355 of that \$48,000 was committed in the prior year so they are increasing it by \$247,355.

He said the last adjustment to the unassigned fund balance is the decrease in assigned fund balance non-encumbrance of \$173,252. He said at the end of 2020 it was known there was going to be a settlement with Eversource so rather than leave that amount in the unassigned fund balance at the end of 2020 \$173,252 was put into the assigned fund balance to be used for that settlement. So even though there was no appropriation that money was set aside in the prior year so that it didn't affect the unassigned fund balance. So this year even though you made the payment the money that was in the assigned fund balance was drawn down so it

didn't impact your unassigned fund balance as much he said.

He said the ending for the unassigned fund balance for 2021 was \$1,800,904 which is an increase of almost \$300,000 from the beginning of the year. He said that is the number that was available to reduce taxes when the taxes were set a couple of months ago.

Schedule 4, Combining Balance Sheet- Mr. Gingras said Schedule 4 is a balance sheet for all of the non-major funds. He said each of these funds don't meet the qualifications for a major fund so they get combined into a single fund for non-major funds.

Schedule 5, Combining Schedule of Revenues, Expenditures and Changes in Fund Balances- He said this schedule is the revenues and expenditures for the non-major funds.

Schedules 6 and 7, Combining Schedules of Fiduciary Net Position- He said schedules 6 and 7 are the custodial funds and these are funds that the Town holds that belong to outside parties such as taxes collected for the school and county, trust funds held on behalf of the school district and other state fees collected on behalf of the state. These schedules are shown for individual funds separately he said.

Page 13, Exhibit C-1, Governmental Funds Balance Sheet- Mr. Gingras said the first column is for the general fund, the middle column is the other governmental funds (the non-major funds in Schedules 4 & 5) and then the total governmental funds. He said the general fund on this schedule includes the expendable trust funds that were blended with the general fund and that falls under GASB 54 based on what the funding source is for a particular fund and if it is funded through general taxation it gets blended with the general fund.

Page 15, Exhibit C-3, Statement of Revenues, Expenditures and Changes in Fund Balances- He said Exhibits C-1 and C-3 report information on a short term measurement focus so they report current year revenues and expenditures as well as short/near term assets and liabilities. He said there are no long term assets or liabilities here-no capital assets, no long term debt or pension liabilities here. These financial statements are more helpful in analyzing the current assets you have available and how they are being utilized he said.

Page 10, Exhibit A, Statement of Net Position- Mr. Gingras said this shows all of the assets and liabilities of the Town including the long term assets and liabilities so it includes capital assets and long term liabilities. He said the first column is governmental activities which would be the general fund, the non-major funds and any long term assets or liabilities that pertain to them. He said the business-type activities column is for the water and sewer funds and there are separate schedules for those funds in Exhibits E-1 and E-2 (pages 18 & 19) and they are reported on the same basis as on Exhibit A so there is no difference between the long term and short term reporting for the sewer and water.

He said the grand total for the Town as a whole considers all the short term and long term assets and there is also a column for a component unit for the library and although it is a legally separate entity it receives all of its funding from the Town so for reporting purposes it's considered a component unit to the Town in the financial statements.

Page 11, Exhibit B, Statement of Activities- Mr. Gingras said this shows the revenues and expenses for the governmental and the business-type activities.

Mr. Gingras said they went through the financial statements and the notes to the financial statements provide additional more detailed information but he would skip over most of them.

Page 49, Note 22-COVID-19- He said during 2021 the Town received its first half of the ARPA funding which was \$365,000 and that he believed the second half has been received in 2022. He said in 2021, \$75,589 of that was spent and the rest of it was deferred so they had \$289,411 of that available to be spent in 2021 plus the remaining \$365,000 that was received this year so that's additional unanticipated revenue they have that's coming in that they were discussing earlier this evening. He asked if the board had any other questions.

Mr. King returned to Exhibit A on page 10 under investments where it shows in the last column under the Goodwin Library \$796,251 and asked what that has to do with the Town because it's not a Town agency, it's a standalone agency and how that is calculated in the Town's books.

Mr. Gingras said based on the criteria for what a component unit is the library falls under that so all of the financial information for the library needs to be presented in the financials.

Mr. King asked if those aren't under their direct control how are they required to report them. He said they have their own budget, they're a separate organization and they have their own trust funds that they dip into as they need to. We fund it through a budget line item but they are not a Town owned or operated entity he said.

Mr. Gingras said there is a checklist as to what the criteria are for a component unit and he didn't know all of them off hand but the simplest explanation is that their primary revenue source is taxation from the Town and they operate for the exclusive benefit of the residents of the town.

Page 4, Financial Highlights- Mr. King said in the middle of the page the fifth bullet says the total long term obligations for the Town Governmental Activities is \$7.3 million and he assumed that would be long term bonds.

Mr. Gingras said yes and that there is a note for long term liabilities in note 13 on page 39. He said it lists out all of the liabilities which include the bonds payables, loans payables, premium on the bond, capital leases, compensated absences, landfill closure costs, NH pension liability and the NH Retirement System OPEB liability.

Mr. King said the next one listed is \$2.25 million for business-type activities and in this it says that there is roughly \$10 million of long term liabilities but not all of those are bonds because one of them is net pension liability for \$2 million. He asked how net pension liability is defined and how it is calculated.

Mr. Gingras said the pension liability comes from an actuarial report from the NH Retirement System similar to the adverse opinion the Town received for its local OPEB. He said the Town reports the liability when the NH Retirement Systems asks what is the long term liability for all the employees currently enrolled in the NH Retirement System, what is their average lifespan,

what is the mortality and what is the average rate of return on your assets put aside for this.

Mr. King said if the pension liability was just for the matching retirement while they are employed or if we have liabilities out past their employment.

Mr. Gingras said yes and an employee is earning benefits today that they won't receive until after they retire.

Mr. King said we are paying for that while they are here.

Mr. Gingras said this liability is calculating what they are earning today that will be paid to them in the future.

Mr. King said so this doesn't necessarily represent what we'll be paying it's what they will be receiving.

Mr. Gingras said if the Town and the NH Retirement System were to put the total cost of an employee away today to last them for the rest of their life and pay them all the benefits they've been promised and earned a certain rate of return on those investments this would be the number they would have to put aside today.

Mr. King said when you go down through this \$10 million list some of them are long term debts and others are projected liabilities. He said this came up a few months ago when they were looking to put forth a bond so the question was how much we currently owe on long term bonds and they can get that from the audit subtracting some of the long term liabilities like that one.

Mr. Gingras said if they wanted to know what their long term liabilities were he would take the total bonds and loans payable. He said he would probably exclude their capital leases because most of them are probably 3-5 years. He turned to another schedule and said they have a couple that go out a few years so they then might include the capital leases.

He said compensated absences are not debt it's a long term liability because its benefits that employees have earned that they would be paid if they were to leave or retire. He said the landfill post closure costs is another theoretical number if they had to pay the cost of maintaining the landfill indefinitely or to meet all the statutory requirements into the future and if they put all that money aside today what it would cost. This is an estimate of what that number might be. The OPEB is the same thing as the pension liability he said.

Mr. Gingras said if the board has any other questions to let Mr. Dickie know and he can reach out to him at any time.

Mr. King asked if his firm was doing the Town's audit this year.

Mr. Gingras said that is the plan and they have them on the books for the end of March.

Mr. King said hopefully we will be ready for it.

Mr. Gingras said he was here earlier this evening going through a couple of journal entries helping to get everything squared away and they are available if there are any questions with getting ready for it.

7). Budgets:

Goodwin Library- Mr. Dickie gave the board copies of the proposed 2023 library budget and Ms. White gave them copies of the Library Budget Narrative for 2022-2023.

Ms. McElhinney said if they are looking at the budget in the far left column they will see the numbers in parenthesis and those are the variances on this budget from the year prior. She said most of them are increases and a lot of them are self-explanatory as the price of everything is going up.

She said the other big number they will see is in the staff line and that's been increased. She said that last year the Town payment total was \$289,204 and they are asking to increase that to \$324,891. She then gave the board some time go over the numbers in the proposed budget they just received and then she would answer any questions.

She gave a brief narrative while the board looked over the budget and a history of the library in the last couple of years due to COVID for 2021 they encumbered \$99,000 from that year for the 2021 budget meaning that the Town paid \$99,000 less. She said for the 2022 budget they encumbered \$25,000 so the Town's number was \$25,000 less.

Mr. King asked if they encumbered \$25,000 into the 2022 budget then their actual last year's expenditures would have been the \$289,204 plus the \$25,000.

Ms. McElhinney said it would be minus the \$25,000 and the \$289,204 is with the \$25,000.

Mr. King said if the \$289,204 includes the \$25,000.

Ms. McElhinney said that is correct.

Mr. King said so the total the Town paid last year was \$289,204 minus \$25,000.

Ms. McElhinney said that is correct.

Mr. King said that would mean the town contributed \$264,204 last year and their request this year is \$324,891 so that would be an increase of \$60,687 from last year's contribution.

Mr. Staples asked if the library was open full time now.

Ms. McElhinney said yes.

Mr. King said in their personnel lines under FICA it says staff bookkeeper and health. He said the increase on their staff payroll would be \$964 and asked if the other \$900 is additional health benefits.

Ms. McElhinney said they do a health stipend which is down under line 5590 and they call it insurance and it is in lieu of health insurance that they pay for them. She said if you add up the \$8,350, the \$5,304 for the bookkeeper and then the staff and then you calculate it for the FICA that is the amount it would come out to be. It's a combination of those 3 lines is what the FICA is based off of she said.

Mrs. Titus asked if they are putting the health stipend line on the staff line.

Ms. McElhinney said no but in order to calculate the FICA she added up the staff line, the bookkeeper line and the insurance line because you pay FICA off of those.

Mr. King asked if she included the insurance because it's considered pay.

Ms. McElhinney said that's correct.

Mr. Vachon asked if there is an encumbrance from this year for next year.

Ms. McElhinney said no there is not. She said they cut all of their lines last year and they are planning on fully expending each line. We are pretty much going to squeak by with our budget this year she said.

Mrs. Titus said they have 3 qualified employees that they hired with degrees and asked what degrees they have.

Ms. Cornwell said one of them has a Bachelors of Science Degree in English, one has a Master's Degree in Library Science and the other one has an Associate's Degree.

Mrs. Titus asked if they do wage studies for their employees.

Ms. McElhinney said they did a wage study last year when the Town did theirs and that was the first time in a lot of years that they finally did that.

Mrs. Titus asked if they are up to where everybody else is and not below or higher.

Ms. McElhinney said they are close and it's the best they could do with the budget they had.

Mr. Staples asked if the wage study was comparable to towns in our tax bracket.

Ms. McElhinney said yes and they were hoping to get the same names the Town used but they didn't have that information so they used the ones with the same population and pretty much the same criteria in that regard.

Mr. King said on page 2 they have Equipment and Maintenance Contracts that is up \$1,000 and asked if she knew what items are in that line.

Ms. McElhinney said a bigger one would be the elevators and they have printers and fire alarm systems and things like that.

Mr. King said on page 1 under Materials it shows a \$3,000 increase which is a pretty large increase on \$17,000 and asked her to speak to that. He said under audio books they are also up \$1,700.

Ms. McElhinney said a lot of that unfortunately has to do with the price of everything-the price of books, DVD's, and audio books all went up. She said they cut all of these lines factoring in COVID because the demand was down and now they are trying to replenish the supplies.

Mr. King asked how they determine what books they are going to buy.

Ms. White said they have patrons who ask them for materials and that is one of the top ways. She said they use the best seller list, they listen, they read and what people want is what they want to get.

Mr. King asked out of those requests by patrons what percentage is of that.

Ms. White said it is definitely more than 50%. She said one of the companies they order from has a section called "Automatically Yours" and if they had to spend the person hours every time Stephen King wrote a book and write out an order for that they'd be wasting their time so they use Automatically Yours and when certain authors publish something they are automatically sent to them. We can hand pick that by judging by what the patrons want she said.

Mr. King said that is more for certain authors not for specific books. He said if they have a preference for certain authors, that determines what books would be bought automatically by patrons' requests for that author.

Ms. White said yes and beyond that if someone calls her and asks if they have Mike Pence's new book she will put an order in for it and they get first reserve and that's how they do it. We are driven by the public that way she said.

Mr. King said this shows their trust fund is at \$96,000 and asked if any of their budget was coming out of the trust funds or if the trust fund was just going to roll over its interest.

Ms. McElhinney said \$16,000 from the trust fund comes out every year for the budget and that is shown under income where it says FPLA contribution is \$20,000. She said \$16,000 of that comes out of the mainstay funds and \$4,000 comes out of a money market account and they use that of their own funds to offset the budget.

She said they also use the mainstay account for their larger projects such as the fire escape, the elevator fund and any of the larger projects the library has had in the past rather than asking for money from the Town.

She said as for why it comes up under the Plodzik and Sanderson audit the library is one of maybe 2 libraries in this state that is listed as a hybrid which makes them a nightmare when it comes to financials. She said it is something they inherited and it was a bylaw passed down from 100 years ago so she could see why they came up on there because they probably couldn't have an exception for just 2 libraries.

Mr. King showed her a line on page 10 in the audit report and asked if this whole line applies to them as far as cash on hand and long term liabilities down to \$116,000.

Ms. McElhinney said she wasn't sure what that would be and where they got those numbers from. She said during the audit they did supply them with information but they don't have any long term liabilities.

Mr. Dickie gave her a copy of the financial report.

Mr. King said they should have that to reference and maybe it will make sense to somebody at the library. He added that they may have filled this in based on the questions he asked her.

Ms. McElhinney said she didn't know and that she would look into it.

Financial Administration- Mr. Dickie said this is going to boil down to the Finance Administrator's salary which he will know better tomorrow and the Assessing Clerk. He said our part time finance person has agreed to help us through April if needed and he was trying to budget for her.

Mr. King asked for the number of hours per week she would be working.

Mr. Dickie said she would be working 18 to 20 hours per week and that is what she has been averaging.

Mr. Staples asked if that is working out and helping us get caught up.

Mr. Dickie said yes and the bills are caught up and she's helping them look at different issues so

it's helping out. He said they need her on to get through the audit which is tentatively scheduled for the end of March so he is trying to budget her line. He said dependant on where we land tomorrow the admin line could come down and that extra money could be absorbed in the...

Mr. Vachon asked when these numbers were from.

Mr. Dickie said they were from just the other day.

Mr. Vachon asked if they were updated to as to like last week.

Mr. Dickie said yes but he hasn't shifted it too much yet because he waiting to see what was going to happen.

Mr. Vachon said he was looking at there is 16% left in the Finance Administration line.

Mr. Dickie said that is as of the end of November and he hasn't gotten the Dec. figures in there yet.

Mr. Vachon said 16% for one month is more than enough. He asked if all of these lines are as of the end of November.

Mr. Dickie said yes and that is what they gave the Budget Committee the last time they met with them.

Mr. Vachon asked if they have to do any tax map updates. He said there is still 100% left in this line and asked if they have any to do before the end of the year.

Mr. Dickie said the Assessing Clerk didn't believe they had to but she wasn't sure.

Mr. King asked for the projected over run on the Executive section and right now they are \$1,000 over the total budget. He said for their next meeting they might want to estimate the projected over run for this salary line item that is currently over by \$1,222.

Mr. Dickie said there are 5 payments coming out of December.

Mr. King said last year's budget divided by 12 would be \$23,000 a month and they are trending under in a bunch of these line items now so his guess it's probably \$20,000 they are going to be over expended on this budget so if they can anticipate where there's going to be over expenditures and under expenditures so they can follow it 3 weeks out.

He said in the Elections and Registrations section it seems like we're going to be under budget there and the Financial Administration budget looks like it may be under budget there also.

Mr. Vachon said if these numbers are accurate to the end of Nov. it looks like we're in all right shape baseline.

Mr. Dickie said they are looking at this weekly to make sure that they hold that bottom number.

Mr. Staples said they have come a long way from where they were.

Mr. Vachon pointed to a line item and asked if this is where we're at as far as the proposed budget.

Mr. Dickie said as of right now that's where we're at.

Mr. Vachon said they have to add to \$351,464 to be at the proposed amount.

Mr. Dickie said yes because that is not part of the operating budget and he just totaled where

their operating budget ended.

Mr. Vachon said this is raised by taxation now so that would have to play into this number as well. He said as a proposed number so they have an idea what was is proposed for a budget not what's approved by the board but what is the proposed budget.

Mr. King asked if this has all the benefits, FICA, Medicare and Medicaid in here.

Mr. Dickie said yes and he is reviewing them with the Finance Administrator to make sure what he has calculated is right and they're not chasing it all next year. I do have those values in there he said.

Mr. Vachon said with the library its \$7,506,934 as a proposed budget which would be an increase of \$500,000 according to the numbers. He said last year was \$7,047,775 and as of right now it's \$7,506,934 which doesn't seem right.

Mr. Dickie corrected that he did put it in there.

Mr. Vachon said there doesn't seem to be enough of an increase to cover some of the "asks" from the depts. and something is off.

Mr. King agreed and said the Police Dept. is up 72%, the Fire Dept. is up an estimated 25%, solid waste is up \$60,000 and sanitation and highway and streets are up.

Mr. Vachon reviewed some of the depts. again and then said maybe that number is right and he thought with everyone coming before the board there was a bigger difference than that. He said \$134,268 is the proposed increase but that doesn't sound right at all.

He asked Mr. Dickie if he and Mr. Tiffany figured out the Highway Dept. as far as fuel and the huge increases that he threw at them.

Mr. Dickie said he went back to exactly what they used and he gave him the totals he used for the Highway Dept. He said they talked it over with the Finance Director and they will set up a revenue line and then what the school pays us goes in and offsets it so every dept. has exactly what they use and that is what they used. I went back in and reset that line he said.

Mr. Vachon asked Mr. Dickie if he had any idea how Mr. Tiffany figured for the salt and that he only went up \$4,800. He said that is not a huge increase for the \$14 a ton that it went up and he was curious how he got that number. That is something we have to budget for because we have to have salt so I just want to make sure he has enough in that line he said.

Mr. Dickie said he would check on it.

Mr. King asked Mr. Vachon where he got his total for this year's budget.

Mr. Vachon said it's at the bottom of the page with the general fund totals.

Mr. King said Mr. Dickie may need to look at the fields he is capturing because he got an almost \$800,000 increase. He said he estimated the increase in each category and came up with close to \$800,000 in increases which would put it at \$7.8 million so he may not have been capturing all those fields.

Mr. Dickie said he would re-look at it.

Mr. King said a few of the categories were down but the Police was up \$280,000, Fire was up

\$210,000 so there is almost \$500,000 between those two as proposed, the library is up \$60,000, Highway and Streets is up \$60,000 so that gets you to \$620,000.

Mr. Dickie said they have \$6.5 million operating budget not the \$7 million.

Mr. Staples pointed out that the operating budget is on the next (last) page. He said the \$7 million was after you put the \$94,000 for the Code Enforcement Officer and all that.

Mr. Vachon said you have to take out \$477,542 (from the Capital Reserve Funds).

Mr. Staples said the total proposed operating budget is \$6,570,233.58 which is what it says on the last page. He said the increase should be \$611,808.93.

Mr. Vachon said \$611,000 seems like the right increase and \$134,000 was definitely not right.

Mr. King said he thinks it is more than that and that he estimated at about \$770,000.

Mr. Vachon asked Mr. King to use his math skills for the increase to the tax rate.

Mr. King said the \$611,000 increase would be about a \$1.07 increase to the tax rate but if it is closer to \$750,000 that would be a \$1.32 tax rate increase. He added that is also before any warrant articles.

Mr. Vachon said they definitely need to make sure they get their numbers right and asked Mr. Dickie to also check his formulas just to verify them.

Mr. Dickie said he has 2 days set aside with the Finance Administrator to review this. He explained that they converted the BSMI sheets into Excel, loaded all of December's expenditures in there and then he populated everything from the shared sheets into the budget spreadsheets and tried to make sure everything matches up.

Mr. Vachon said it's time consuming because you have to click every formula with Excel because he has had 1 formula go out which throws everything out on payroll and asked him to verify the formulas so they get solid numbers on the proposed budget vs. last year's budget.

Mr. Dickie said he was going to work 2 days with the Finance Administrator and get them some solid numbers and represent it to the board next week.

Mr. Vachon said he didn't want to start discussions about cutting anywhere without knowing for sure that everything is correct so he would like to see a verified proposed budget vs. the current budget.

8). Town Administrator's Business:

Proclamation- Mr. Dickie said John Scruton contacted him about a Town resident who is now in an assisted living facility in Rochester but she used to live on Meaderboro Rd. for over 50 years. He said Mr. Scruton send him some bulleted items and he created a proclamation for this woman and if they had known of her she probably would have received the Boston Post Cane but they didn't know about her at that point.

He said Mr. Scruton asked if he could put a proclamation together which he did and he had it stamped with the Town seal and that he asked to have the Selectmen sign the proclamation.

Mrs. Titus asked if they could give her name or if it was supposed to be confidential.

Mr. Vachon said he would read the proclamation and then hand it down to be signed if they all

agree.

Mrs. Titus asked if come in and meet with the board so they could give the proclamation to her. Mr. Dickie said no because she is in a home and Mr. Scruton is going there to see her on Dec. 23 which is her 100th birthday and will read and present the proclamation to her.

Mr. King asked if they wanted someone to go from the Town also but he didn't know if the home had any restrictions on visitors.

Mrs. Titus said she wouldn't mind going.

Mr. Vachon asked the board to sign the proclamation if they agreed with it. He asked Mr. Dickie if he had any other business while they waited for the board to sign it.

Mr. Dickie said that was all he had for the public session but he needed 4 potential non-public sessions with the board.

Capital Improvement Plan Committee- Mrs. Titus asked if there were any CIP meetings scheduled yet or if was still too early.

Mr. Dickie said he is waiting for the rest of the board to get back to him as to when and he has a feeling that they want to get through the budget season first.

Selectmen signed the proclamation and returned it to Mr. Vachon and he read it aloud as follows:

Proclamation: "The Town of Farmington Board of Selectmen has signed this proclamation whereas the Town of Farmington honors Dorothy Wells on the occasion of her 100th birthday, and whereas Dorothy Wells was born Dec. 24, 1922 and whereas Dorothy Wells lived in Farmington on the Meaderboro Road from 1964 to 2014 and whereas Dorothy Wells was a devoted wife to her husband Wendell Wells and whereas Dorothy Wells lived a long and productive life during an eventful century of this nation's history and whereas Dorothy Wells has been a good neighbor and friend to many now wherefore we the Select Board have the honor and pleasure to sign this proclamation for presentation to her with sincere congratulations and best wishes."

Mr. Vachon then asked Mr. Dickie to get a frame for it and to find out if they will allow individuals there and if so to let him know the date and time and he will do his best to be there. He said to let the rest of the board know and maybe just a couple of the members should go if possible or they would have to post it as a meeting of the board.

Mr. Dickie said he would reach out to Mr. Scruton and see what he thinks.

Resident Complaint- Mr. King said he received a complaint about some paving adjacent and connected to the Town parking lot at the old fire station. He asked if Mr. Dickie and Building Insp. Ron Lemere had a conversation about if that is permitted and what we're doing about it. Mr. Dickie said that is not permitted and they are looking into it. He said he has already talked to Mr. Lemere about the same thing behind the old hardware store.

Mr. King said the complaint was there was some tree cutting and paving potentially on Town property and taking access and there was no existing access that he could find for a developer.

Mr. Dickie said they brought down the site maps of what was approved vs. what was done and Mr. Lemere has already gone out there and took pictures.

Mr. King asked if he knew if there were any trees cut on Town property.

Mr. Dickie said he didn't know.

Mrs. Titus said it looks like it has been cut because that was never open like that.

Mr. Dickie said there is a concern with the paving that was done and the height of the paving is about 6-7 inches above the front door of the building.

Mr. King asked if they authorized access through the Planning Dept. onto that property either with easement rights or permission to disturb, take access and pave. He said didn't believe so.

Mr. Dickie said not for that full amount.

Mr. King said he didn't think they were granted any access. He said it came before the Planning Board but the application did not have any indication or request to use, modify or access on Town property.

Mr. Dickie said that is correct.

Mr. King said this property is probably going to be for sale and somebody taking access and planning to use that parking lot as part of their development did not get permission and he is not inclined to give any permission because it would diminish the value of the property. I'm not inclined to give permission after the fact to rectify this. My preference would be to take legal action against the developer who knowingly exceeded his rights onto Town property he said.

Mrs. Titus asked if they needed to put that in a motion.

Mr. King said not yet because he didn't know exactly what the infringement is and he is not the one to determine that it would be the Code Enforcement Officer. He said he wanted to ask the question and he also wanted to put it on record for the taxpayers that this complaint has been made and it seems to have some merit and it will be looked into because that's Town owned property. What they implied to a resident as far as what they were going to take for rights would diminish that property value by over \$20,000 without permission he said.

Mrs. Titus said if we sell our property it takes away from that too-the liability if they go through the Town property.

Mr. King said all the things that have been done on Town property should be remediated at the applicant's cost and any court costs would be a burden to them. He said they should not be allowed to continue with the project until they have a plan to repair the damage to Town property.

Mrs. Titus asked if this is something they could work on tomorrow or if the Planner could go down there.

Mr. King said the CEO is already addressing it and the Planning Dept. has worked with this applicant and they are ones who will determine what they have done and what does/doesn't have permission or rights and hopefully that will be before us sooner than later.

Mr. Dickie said he approached Mr. Lemere about it last Monday so he is on it.

Stakeholders' Meeting-(Town of Farmington, NH DOT-12/06/22) Mr. Vachon asked if there was any update on the Rt. 11/Central St. project.

Mr. Dickie said he wanted to give the board an FYI on they want to start looking at putting the shovels to the dirt in 2024. He said they are looking at various designs but they haven't locked off on anything yet. He said he met with Fred Cameron to see what the Cameron's Garden Center's desires were and at the end of this year they will have been here for 100 years and they have a right to have a voice in this. He said he told Mr. Cameron that he will let him know when the next meeting is so they can be part of it and all come to the table together.

Mr. Vachon said one of their suggestions was to move his entrance up to his other one so it's not right there.

Mr. Dickie said he kind of frowned on that because he didn't want to lose business.

Mr. Vachon said the problem is if they do a right turn only he is going to lose business anyway because you won't be able to go straight across Rt. 11 anymore because there would be an island there that would kick you toward New Durham. He said you would have to go up anyway to get to his property so it would almost benefit him to have his driveway moved but that's up to the state.

Mr. Dickie said there are more meetings to come on that and he just wanted to update the board on what was discussed.

Town Owned Properties- Mr. Dickie said he believed that the Town Clerk talked to Mr. Vachon about the 2 properties with the one lot in between them on south Main St.

Mr. Staples asked if he was talking about the properties located near the Farmington House of Pizza.

Mr. Dickie said yes.

Mr. Vachon said this would fall under non-public session for (d) Consideration of the Acquisition, Sale or Lease of Real or Personal Property so add another non-public session to the list.

9). Next Meeting: Monday, December 19, 2022

10). Non-Public Session A:

Motion: (Vachon, second Staples) to enter non-public session under RSA 91-A: 3 II (a, c) Compensation, Reputation passed 4-0 by a roll call vote (Vachon, King, Staples, Titus-aye) at 7:54 p.m.

Motion: (King, second Staples) to come out of non-public session passed 4-0 at 8:01 p.m.

11). Non-Public Session B:

Motion: (King, second Titus) to enter non-public session under RSA 91-A: 3 II (a) Compensation passed 4-0 by a roll call vote (Vachon, King, Titus, Staples-aye) at 8:01 p.m.

Motion: (King, second Staples) to come out of non-public session passed 4-0 at 8:10 p.m.

12). Non-Public Session C:

Motion: (Vachon, second King) to enter non-public session under RSA 91-A: 3 II (a, c) Compensation, Reputation passed 4-0 by a roll call vote (Vachon, King, Staples, Titus-aye) at 8:10 p.m.

Motion: (Vachon, second Titus) to come out of non-public session passed 4-0 at 8:24 p.m.

13). Non-Public Session D:

Motion: (Vachon, second Titus) to enter non-public session under RSA 91-A: 3 II (d) Sale of Property passed 4-0 by a roll call vote (Vachon, King, Titus, Staples-aye) at 8:24 p.m.

Motion: (Vachon, second King) to come out of non-public session passed 4-0 at 8:33 p.m.

14). Non-Public Session E:

Motion: (King, second Titus) to enter non-public session under RSA 91-A: 3 II (e) Litigation passed 4-0 by a roll call vote (Vachon, King, Titus, Staples-aye) at 8:33 p.m.

Motion: (King, second Staples) to come out of non-public session passed 4-0 at 8:56 p.m.

Motion: (King, second Staples) to seal the minutes for a period of 10 years as disclosure would adversely affect the reputation of a person other than a member of the board passed 4-0 by a roll call vote (Vachon, King, Staples, Titus-aye).

15). Adjournment:

Motion: (Staples, second Titus) to adjourn the meeting passed 4-0 at 8:58 p.m.

Kathleen Magoon
Recording Secretary

Gerry Vachon, Chairman

Charlie King, Vice Chairman

Ann Titus

Douglas Staples