

Town of Farmington
Board of Selectmen Special Meeting Minutes
Wednesday, November 29, 2023
356 Main Street-Farmington, NH 03835

Board Members Present:

Gerry Vachon, Chairman
Charlie King, Vice Chairman
Doug Staples
Penny Morin

Others Present:

Ken Dickie, Town Administrator
Kelly Heon, Finance Administrator
Residents Mary Barron, Tim Brown

Board Members Absent:

Ann Titus

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: None

4). Tax Rate Setting:

Mr. Vachon said this meeting was called to set the tax rate so the bills can go out and that Mr. Dickie and Mrs. Heon had some information on what they got back from NH Dept. of Revenue Administration.

Mr. Dickie said it's been a process to get here but we're finally here. He said the DRA sent him an e-mail saying they were ready for the preliminary setting of the tax rate which right now is if we go as it is right now is \$25.66 per \$1,000. He said if you break that down the municipal tax rate increased by \$1.17 to \$8.04; the county tax rate increased by 31 cents to \$2.95; the local education tax rate decreased by 51 cents to \$12.76; the state education tax rate increased by 51 cents to \$1.91 bringing the total to \$25.66 or a \$1.48 increase. Every \$100,000 that's allocated reduces the rate by 18 cents he said.

Mr. Dickie said right now they have an overlay for any disputed taxes for repayment of \$10,000 but anything increased over \$10,000 decreases your undesignated fund balance.

Mr. King asked if that overlay would be sufficient based on what we have for court cases and appeals.

Mrs. Heon said they talked to Attorney Keriann Roman about that yesterday because she didn't know where those were sitting. She said it's the Eversource appeals that are still in court and Att. Roman said she would not expect a decision in 2024 and that it would most likely come in 2025. She said Att. Roman gave her a couple of different scenarios that they could do.

She said if there was a settlement reached in 2024 as part of the settlement they could push the payment to 2025 or they could have a warrant article for a contingency fund to come out of the undesignated fund balance and if they didn't use it in 2024 it would lapse back into the undesignated fund balance. She said those are the 2 options Att. Roman put forth in lieu of increasing the overlay because if they increase the overlay it will increase the tax rate.

Mrs. Morin asked what is currently in the undesignated fund balance.

Mrs. Heon directed them to the last page of the Revised Revenues for the Town (2023 MS-434-R) and at the end of 2022 there was \$2.3 million in the undesignated fund balance we voted for \$494,000 to come out of the fund balance at Town Meeting so that leaves \$1,869,908. She said that they anticipate at the end of 2023 that figure to probably be a little higher because they were very conservative when they did the revised revenues with the DRA and we probably will be getting some revenues that could increase that a little bit. For example the Lincoln St. property sale they expect about \$100,000 to come from that she said.

Mr. King asked if they held that long enough so it comes to the Town.

Mrs. Heon said yes.

Mr. Staples said he thought the law changed last year and it doesn't matter how long you hold it for.

Mrs. Heon said that one was a very unique case in that that is true but no one in the family came to claim any of that money. She said they had to give all of that money to the court and no one came to claim so Att. Roman has petitioned to get all of that money back for the Town.

Mr. Dickie said they just couldn't count on it to be in our hands before the year end.

Mrs. Heon said they didn't include that in our revenues and they also didn't increase the motor vehicles revenue. She said we have already through mid-Nov. collected what we anticipated that they budgeted for so there will be a little bit more revenue from that so they could see the fund balance actually be up over \$2 million like it was at the end of 2022 at the end of 2023.

Mr. King asked what puts us at for a percentage (of general operating expenditures retained in the fund balance).

Mr. Dickie said it's at 9.1%.

Mrs. Heon turned to the DRA's Tax Rate Setting Farmington 2023 spreadsheet and said when they talked to the DRA they said that was the "sweet spot" that is perfect not too low but it's not to the maximum.

Mr. King said typically in past years the board has tried to buy that down to an 8% level and tried not to go below that so it would grow from 8% to 12% but as the budgets have gotten tighter over the years usually it's not even 2% but our revenues may be up so it may closer to 10%.

Mrs. Heon said it might be but then that may give them a little wiggle room when they come into Town Meeting in 2024 if they want to use that fund balance for capital projects.

Mr. King said we have some capital projects they are going to have to put on warrant articles to

kind of fund in reverse like the recycling building and the repayment of the Capital Reserve Funds they used to buy the land for the well.

Mr. Dickie said they took \$240,000 out of the CRF for water and the remaining came from the ARPA funds. He said they will potentially owe \$138,000 once the recycling building project is complete because they allocated \$200,000 to cover us through March knowing that we had another \$138,000 to push us over the finish line on that project.

He said they also have other issues that will be facing them in 2024 meaning culverts, potentially the levee, bridges and that he learned earlier this week that the Cocheco Rd. Bridge is now red listed and the heating system in this building. Those are the major things I see coming at us for infrastructure, repairs and stuff we need to do in this town he said.

Mr. King said so realistically there is \$400,000 that if they have undesignated fund balance up to that it will basically go back to either of those 2 big projects along with funding through taxation some of the bridge repairs or culvert repairs because we have a couple of big culverts that have to be fully engineered that are substantial projects. He said he was not in favor of trying to buy down the tax rate any at this point because they have to use that just to get back to even.

Mr. Vachon said he agreed.

Mr. King said with the purchases they had to make this year between the land for the well and the recycling building the townspeople have indicated that that's what they want.

Mr. Dickie said that is his opinion.

Mrs. Morin said she thought they are in agreement with his opinion.

Mrs. Heon said this is an increase from last year of \$1.48 so to put that into perspective a \$1.48 increase on an average assessed value of \$300,000 is an increase of \$444 for the year which is like Mr. Staples was calculating.

Mr. Staples said that's \$37 a month.

Mr. Dickie said he didn't like it but it is what it is. He said if we weren't faced with so much on the Town side for infrastructure then he would lean more towards trying to offset it but based on what we have coming at us he just doesn't see it.

Mr. King said next year with them bringing on an auctioneer they may have some unanticipated revenue next year that may be significant next year and he is hoping to break \$500,000 by moving some of this property. Hopefully that will give us a shot in the arm to take up some of these larger projects that we know we have to do whether it's the Town Hall or this building and hopefully we'll be all set at the Highway Dept. and we know we have to move the rate up on the water and sewer he said.

Motion: (Morin, second King) that we increase the tax rate to \$25.66 to reflect the new increases passed 4-0.

5). Next Meeting: Monday, December 4, 2023

6). Adjournment:

Motion: (Morin, second Staples) to adjourn the meeting passed 4-0 at 6:13 p.m.

Kathleen Magoon
Recording Secretary



Gerry Vachon, Chairman



Douglas Staples



Charlie King, Vice Chairman



Penny Morin