

Town of Farmington
Budget Committee Meeting Minutes
Town Budget Presentation
Thursday, January 24, 2019

Committee Members Present:

Sylvia Arcouette, Chairman
Jodi Connolly, Vice Chairman
Stephen Henry, Secretary
Neil Johnson, Selectmen's Rep.
Linda McElhinney, Alt. School Board Rep.
Tim Brown
Charlie King
Elizabeth Johnson

Committee Members Absent:

Jason Lauze
Samantha Place
Heidi Mitchell
Angie Cardinal, School Board Rep.

Others Present:

Arthur Capello, Town Administrator
Tami LaRock, Goodwin Library Director
Blanche Tanner

1). Call to Order:

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

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Presentation of Town Budget:

Mr. Capello said the proposed 2019 Town budget is up 24 cents over the current budget and tax rate. There is also a warrant article for the matching funds for the Transportation Alternatives Program (TAP) grant to revitalize Main Street that would increase the tax rate by 22 cents if passed. The \$440,000 grant is through the Dept. of Transportation (DOT) and the Town would have to provide 20% (\$88,000) in matching funds he said.

Mr. Brown asked if the Town realized any decrease on the Town portion of the tax rate with the money returned from the School District.

Mr. Capello said the overall tax rate went down but the Town portion increased 46 cents because they bought down the tax rate the previous year and this year the Selectmen did not buy down the tax rate.

Mr. Capello then read from the memo given to the Selectmen explaining the reasons for some of increases to the budget which included: budgeting for 14 Police Officers up from 13 Officers last year (\$80,841), all insurances not including medical increased (\$27,834), health insurance

including the DPW increased 6.2% (\$65,630), employee wage increases (\$42,368), fuel for the Emergency Operations Center generator at the Public Safety Building (\$2,700), increase in fuel costs (\$8,836) and solid waste recycling processing/hauling fees increased 1% (\$11,935).

Mr. King asked for the percentage increase of the budget.

Mr. Capello said he didn't figure a percentage for the increase but noted the budget increased by \$110,000 while absorbing \$240,000 in increases the Town didn't have much control over.

Mr. Henry asked if they have considered going back to sorting the recyclables and if the Town would realize more revenue if we did so.

Mr. Capello said they have considered returning to sorting the higher priced items and they need to make sure the baler works first. He said they have been working with a third party contractor to remove the used propane tanks and Freon and may contract with them to haul baled materials. The contract with Waste Management ends this year and they plan to go out to bid for the next contract he said.

Mr. King said a rough calculation shows a 1.6% increase to this year's budget. He said that most of the warrant articles if passed would be funded through the undesignated fund balance and asked if they are expecting to have a lot left over in this account.

Mr. Capello said this is from the 2017 undesignated fund balance which has approx. \$1.4 million in it and about \$220,000 of that amount would fund the warrant articles.

Mrs. Connolly asked if the funds are coming from the 2017 undesignated fund balance because 2018 just ended.

Mr. Capello said that is correct.

Ms. McElhinney asked for the amount of receivables in the undesignated fund balance.

Mr. Johnson said there is \$1.4 million available in the undesignated fund balance and of that \$1.4 million, \$800,000 is outstanding unpaid property tax liabilities and approx. \$600,000 in cash. The Auditor recommended that about \$250,000 of the cash could be used to buy down the tax rate or to fund warrant articles and the remaining \$350,000 be held in reserve he said.

Mr. King said the remainder is approx. 8% of the budget and is typically what has done in recent years. The \$800,000 in unpaid taxes is the historical average for the town he said.

Mr. Johnson agreed and said it has improved slightly this year with a few large outstanding tax payments that have been made.

Mr. Capello said DRA gives a recommended range of 5%-17% in reserve in the undesignated fund balance. The Town has historically been around 8% he said.

Mr. Brown said the liabilities in this account also include the unpaid water and sewer accounts.

Mr. Henry said the water and sewer account is an Enterprise Fund and asked why the unpaid water and sewer bills are owed to the Town and not to the Enterprise Fund.

Mr. Capello said under state law they are considered a lien to be included with the tax liens.

Mr. Henry asked if the Town pays water and sewer and if the Town is on the hook to collect it.

Mr. Capello said if the money is paid it is credited back to the Enterprise Fund.

Mr. King said the Town is not picking up the unpaid individual's bill and it has a mechanism to collect the unpaid funds.

Mr. Capello said the Enterprise Fund does not have such a mechanism.

Mr. Johnson explained the Town would put a lien on the unpaid water/sewer bill which would be added to the tax bill which becomes part of the undesignated fund balance. As the payments come in it is credited back to the Enterprise Fund he said.

Mr. Henry asked when the Town tax-liens a property and then sells it what percentage of the taxes owed does the Town collect.

Mr. Capello said it is never 100% of what is owed. For accounting purposes they must figure the amount of interest when calculating the amount owed on the property and when it is sold the interest is technically wiped off the books so average amount collected is about 20% - 25% of what is owed he said.

Mr. Johnson said that is the average for properties in good condition and that by the time the Town takes a property many of them are in poor condition.

Mr. Henry said in the private sector the \$800,000 would be discounted to whatever could be collected. He said the Town is carrying \$800,000 on the books but it is really not worth that.

Mr. King said a majority of the outstanding taxes will eventually get paid because when the property is sold the past due taxes have to be cleared. He said eventually 90% of it would be cleared because the Town hasn't taken a substantial amount of property.

Mr. Johnson agreed but noted that it doesn't get cleared in a timely manner and could on for multiple years. He said the Town doesn't take a property until 3 years of unpaid taxes has passed and the Town doesn't always take a property depending on its condition and potential liabilities. If there is a building on it where someone was living in it we usually get the full amount plus interest he said.

Mr. Capello said that it does get the property back on the tax rolls.

Mr. King said the liabilities would also include a property owner who has an agreement to pay past due taxes and is working through that agreement over a period of time.

Mr. Capello said there were 40-50 properties that could have been tax lienied and the Town only took 4 of them. Of those 4 only 2 had structures on them he said.

Mrs. Connolly asked if they ever write off any of the liabilities as bad debt.

Mr. Capello said it is not allowed by state law or general accounting standards.

Mr. Henry asked what budget items are down from last year.

Mr. Capello said the biggest reduction was to the bonds and interest because the dump truck bond "fell off" this year which was about \$30,000 on the long term debt.

Page 4, Line 01-4191-10-110 Planner - Mrs. Connolly said the actual 2018 expenditure was \$48,457 and asked why it was funded at \$47,320 for 2019.

Mr. Capello said he is paid hourly and was budgeted for 30 hours weekly but ended up doing extra hours with the Steering Committee and a few extra hours for meetings here and there.

Mr. Brown said he brought up the difference between what the Selectmen and School Board members receive for a stipend during the school budget hearings and that both boards do a comparable amount of hearings and meetings. He said currently the School Board members are getting \$500 more than the Selectmen and he would like to see comparable stipends for both. Mr. Johnson abstained from this discussion.

Mr. Henry asked what stipends Selectmen receive in other towns.

Mr. Capello said he did not know but could find out by sending an e-mail to the Town Administrators of towns with a similar population and ask what their Selectmen are paid.

Mr. Brown said there were some salary increases proposed at the Selectmen's level for the Fire Dept. and asked if this was resolved because he was concerned that they would not be able to recruit per diem Firefighters at the present salary levels and be pushed into instituting a full time Fire Dept. with medical benefits and 26% of their wages contributed to their retirement.

Mr. Capello said the board agreed to a \$2 an hour differential for weekend shifts and longevity pay for Firefighters who work 24 hours weekly and per the Town policy.

Mr. Brown asked if the per diem positions were reclassified to part time employees.

Mr. Capello said they are still per diem employees with the longevity benefit.

Page 3, Line 01-4155-20-630 Payroll Outsourcing – Mrs. Connolly said \$15,000 was budgeted in 2018, the actual 2018 expenditure was \$17,762 and only \$13,000 is requested for 2019.

Mr. Capello said the Town switched payroll companies and now has a contract for a little more than \$11,000 but there was also a set up fee.

Page 4, Line 01-4191-10-111 Part Time Planning Secretary (2018 budget \$12,782; \$11,700 2019 requested) Mr. Henry asked about the new Planning Dept. Secretary.

Mr. Capello said the previous Secretary has returned and the different salary rate is reflected in the budget.

Line 01-4191-10-625 Board's Postage – Mrs. Connolly said \$1,000 was budgeted in 2018, \$5,106 was spent and \$1,500 was requested for 2019 and asked why the postage expense was so high.

Mr. Capello said it was due to the noticing for solar farms at the Town landfill and the former Cardinal landfill which about the Peaceful Pines Mobile Home Park and each individual resident of the park had to be noticed for each meeting. The applicant pays half the cost and the Town was the applicant for the Town landfill property he said.

Mrs. Connolly asked if they were anticipating a large postage bill again this year.

Mr. Capello said they were not. He said with the revenue expected from the project the costs would be a wash.

Page 5, Line 01-4194-10-411 Fuel Town Bldgs. - Mr. Brown said in 2018 \$23,000 was budgeted, \$49,723 was spent and \$31,836 is requested for 2019. He asked what the difference is with the decrease other than the cost of fuel is now less than last year's cost.

Mr. Capello said they locked in the fuel price and expect the new boiler sections and heat pumps in the Municipal Office Building will operate more efficiently.

Mr. King said sections of the boiler were previously replaced and suggested they may want to talk to the Building Inspector about what was replaced and plan for additional replacements. Mr. Capello said they budgeted for the 3 sections that were replaced. He said he will speak with Mr. Roseberry to see if the same sections were replaced and what is going on with the boiler. Mr. King said in the long term the boiler needs to be replaced with something sized correctly for the building that is capable of keeping up with its heating needs.

Mr. Henry asked if this line includes the Public Safety Building.

Mr. Capello said it includes the Public Safety Building and the Rec. Center (Town Hall building).

Mr. Henry said the town was told the Public Safety Building is super energy efficient and would save us a lot of money and the actual expense was more than twice what was budgeted for 2018.

Mr. Capello said a big part of the expense was due to burning 1,000 gallons of fuel every 10 days in the Municipal Office Building.

Mr. Henry said they are not seeing how efficient the Public Safety Building is or is not.

Mr. King said this was supposed to be detailed out separately and that information should be available.

Mr. Johnson said it was not going to be detailed separately in the budget but that it was going to be tracked.

Mr. Henry asked if the old Fire Station was being heated.

Mr. Capello said the old Fire Station and old Police Station are not being heated.

Mr. Henry then asked if either building was being used for anything.

Mr. Johnson said the old Fire Station is housing the antique Fire trucks owned by the Fireman's Association.

Ms. McElhinney said it appeared that a different format was used for the wage adjustments in this budget and asked how the numbers reflect the wage adjustments. She said for example on Page 4, Line 01-4155-30-190 Wage Adjustments the \$14,368 budgeted for 2018 is in parenthesis and asked why the number is in parenthesis.

Mr. Capello said it is because the line was overspent by \$14,368 last year.

Mr. King asked what was budgeted for this line last year.

Mr. Capello said \$24,000 was budgeted last year for this line.

Ms. McElhinney said she didn't feel that the wage adjustment line numbers accurately reflect what was originally in there. She said she understood they are absorbed by the other dept. lines and they would decrease but to accurately show what the wage adjustments are it ought to be reflected better in the budget. For example, the actual amount expended for 2018 should show \$38,368 not just the \$14,368.

Mr. Capello said that this year Selectmen chose to put the amounts in each individual dept.

Mr. Johnson said they recognized what Ms. McElhinney said about this last year and this line that covered all depts. is going away. It doesn't give a true picture of the salary

increases/decreases for each dept. so they put this line in each dept. he said.

Ms. McElhinney said on Page 1, Line 01-4130-90-110 Wage Adjustments-Executive it shows blank lines for 2018.

Mr. Johnson said that is because it is a new line.

Ms. McElhinney asked if going forward this line would be populated with the actual amounts (budgeted and spent).

Mr. Johnson said the lines will be populated going forward and the \$4,348 requested for 2019 reflects a 3% increase for all of the wages included in this category in this line.

Mr. Capello said this does not mean that the Selectmen have to give a 3% raise and that the raises are merit based.

Ms. McElhinney said Mr. Capello's salary was \$67,906 in 2017 and the requested amount for 2019 is \$83,782 which is a difference of \$15,876. She said that a wage study was done and asked what the wage increase to the Town Administrator's salary from the wage survey.

Mr. Capello said it was roughly \$15,000.

Ms. McElhinney said the requested number for 2018 on the form that goes before the Bud Com was \$69,825. She said she understood that his raise doesn't go into effect until mid-year but that she was trying to sum up the numbers to make it fit. She asked if the \$83,782 requested for 2019 accurately reflects the amount including the raise he would potentially receive in August or if goes above that.

Mr. Capello said it goes above that and includes the \$4,348 wage adjustment line.

Mr. King asked if the salary number includes the FICA, Medicare, etc. the Town must pay.

Mr. Capello said it is not included in the salary number but is included in the wage adjustments.

Ms. McElhinney asked what other employees' salaries were increased as a result of the wage study.

Mr. Capello said the other employees beside himself that received larger bumps than just the merit scale include the Police Chief, Fire Chief, Lt. Orlando and the Assessing Clerk.

Ms. McElhinney asked if anyone else was affected as a result of the wage study.

Mr. Capello said they made some adjustments to the call Firefighters.

Mr. Johnson said that was part of the Fire Dept. budget and the discussion with the Fire Chief and not as a result of the wage study.

Mr. Capello said the wage study did not include any Police and DPW employees except for the Police Chief and Lieutenant who are not in the union.

Mr. King said those individuals who received the larger wage increases were new hires to their positions with the Town and came in at a lower than competitive wage based on their experience. As they have gained experience and been successful with their positions and based upon the wage study it was a significant gap between what their pay and experience was worth in the competitive market he said.

Mr. Johnson said the board brought them up to mid-level for their pay scale as they were down

toward the bottom of the pay scale.

Ms. McElhinney said she wanted to let the committee know that they planned to do a wage study for the library staff in time for the next budget cycle.

Mr. Brown asked for the date for the Public Hearing for the Town budget.

Chairman Arcouette said it is scheduled for February 7 at 6 p.m.

Mr. Brown said if there is time to complete the library wage study by Feb. 7 that proposed budget changes can be presented at the Public Hearing.

Page 8, Line 01-4290-20-630, River Maintenance – Mrs. Connolly said \$10,000 was budgeted in 2018, \$3,000 was spent and \$8,000 is budgeted for 2019 and asked what this money is for.

Mr. Capello said it is for repair of the levy and we are close to getting it certified by the Army Corps of Engineers which would qualify the Town for federal insurance and then the Town would not be responsible if something happened there. This money would be used to complete the tree cutting, loaming, seeding, riprap and raising the level of the dam that is needed to get the “seal of approval” from the Army Corps of Engineers he said.

Mr. Johnson said they were looking at a lot more expense when the Army Corps first came in as they wanted the Town to return the river to the same depth and flow it was in when “God created the Earth”.

Mr. King said the path of the river has also changed over the years.

Mr. Capello said putting in the new Main Street Bridge helped the situation because the Town paid an engineer to conduct a study which proved that with the larger opening for the new bridge the river would have the same flow that it was originally intended to have.

Mr. Johnson said that otherwise the Town would have had to dredge the river, re-establish the banks and flats which would have cost the Town millions of dollars.

Mr. Henry asked for the difference between a certified and a non-certified levy.

Mr. Capello said if the levy broke the federal government may not reimburse the Town for any damage done by the break.

Mrs. Connolly asked for the anticipated completion date for the levy work.

Mr. Capello said they hope to finish the work this year.

Mr. Capello said the Town paid the engineer \$11,000 for his study as opposed to the millions it could have cost us.

Page 8, Line 01-4240-10-110, CEO/Health Officer- Mr. Henry asked how much of the Code Enforcement Officer’s salary is from taxation versus from the permit fees.

Mr. Capello said none of the CEO’s salary comes from general taxation. He said they leave \$1 in the line to keep it open in case the residents don’t vote to withdraw the money from the Building Inspector SRF so they can still pay him.

Ms. McElhinney asked about the reevaluation cycle for the Town.

Mr. Capello said there is a full reevaluation every 5 years whether it is statistical or list and measure and a reevaluation will be done this year. That is why we have been putting money

away in the CRF he said.

Mr. Johnson said they are no longer required by RSA to have the Assessors conduct a measuring of the properties in town every 5 years which used to cost the Town about \$70,000.

Ms. McElhinney asked when the requirement changed.

Mr. Capello said that the Assessing Clerk brought it to their attention and that a full measure and list may never have been required by state law.

Mr. Henry said at a recent board meeting the Assessor was talking about using real estate listings to evaluate properties. He asked how a home listed as having 3 bedrooms in the Town records but is being sold as a 5 bedroom home fits into a statistical reevaluation.

Mr. Capello said it would be turned over to Code Enforcement for having illegal bedrooms but it could only be assessed based on the capacity of the septic system.

Mr. Henry asked for the difference between a statistical and measure and list assessments.

Mr. Capello said a statistical is where the Assessor looks at the market and what properties have sold for in the area. A measure and list is where the Assessor goes to the property and measures every building on the property and includes an assessment of the inside of the home.

Mr. Johnson said during a statistical assessment the Assessor would still drive around town and check every building but would not measure everything or assess the interior of the home.

Page 9, Line 01-4311-10-341, Highway Telephone – Mr. Brown asked if the \$1848 budgeted for this line covers just one line or also includes the lines for the Water/Sewer Depts.

Mr. Capello said this is just for the Highway Dept. phones.

Mr. Brown said that is \$154 a month and asked if there is one line going into the dept.

Mr. Capello said this line also includes the 3 cell phones for on-call duty.

Mr. King asked if the cell phones were paid per the stipend policy.

Mr. Capello said no one in the Highway Dept. gets a stipend for the phone as the cell phones are provided by the Town. He said the dept. heads would get a \$50 stipend and anyone else would receive a \$35 stipend if approved by Selectmen.

Ms. McElhinney asked if there are any budgetary impacts in regards to putting the Master Plan into effect.

Mr. Capello said the plan is not completed yet and there are 2 warrant articles seeking the 2nd \$20,000 payment for the Master Plan update and the grant for the Main Street improvements which would become part of the Master Plan if the Town is awarded the grant.

Mr. Henry said there is nothing in the budget itself that works toward the progress of the Master Plan.

Ms. McElhinney asked if the Town was planning on selling any equipment.

Mr. Capello said they plan to sell some property and that they try to sell equipment if they have it such as the bucket and the Water Dept. trucks but they haven't received any "bites" on them.

Ms. McElhinney asked how the sale of Town equipment works and if it has to be listed as an appropriation in order to use the money from the sale.

Mr. Capello said the money from the sale would go into the general fund. He said that several years ago the townspeople approved a warrant article allowing the Town to sell unused equipment at the Selectmen's discretion and that she would see the sale of properties listed as revenue in the revenue report.

4). 2019 Warrant:

Mr. Capello said the articles were just sent to the Town Attorney for approval and have not been finalized. The articles will then go to DRA for approval and do not include the petitioned warrant articles because the petitioned warrant articles are not due until Feb. 5 he said.

Article #3 – SCBA Lease - to authorize Selectmen to enter into a 5 year lease agreement in the amount of \$239,466 to lease 34 Scott air packs and to raise and appropriate \$53,736.33 for the first year's payment. Selectmen recommend: Yes

Mr. Capello said the first payment will be due in 2020.

Mr. Henry asked what would happen if this article is voted down.

Mr. Capello said they would have to figure out how to fund the air packs because the current units will expire in July.

Mr. King asked about the status of the grant application to fund the air packs.

Mr. Capello said the Town has not yet received notice as to whether we will be awarded a grant but we couldn't wait to find out and meet the Oct. 31 deadline for the discounted price (\$70,000 savings). If we get the grant we can pay the loan off with it he said.

Mr. King asked if this would hurt the Town's chances to get the grant (as the air packs would be funded by the article if approved).

Mr. Capello said it would not hurt the Town's chances to get the grant and noted that Sen. Hassan has written a letter of support for the Town to receive the grant. He speculated that things have probably been held up with federal government shut down as this a Homeland Security grant.

Mr. Johnson said they received a commitment letter from Homeland Security that doing it this way that the grant would reimburse the Town for the expenses.

Mr. Capello said the Town could receive from zero to the total \$239,466 from the grant but whatever is received would go to pay off the loan. He said the Fire Chief had to file paperwork with Homeland Security and the Town has it in writing that this won't affect the grant.

Mr. Brown said he did not have any problem with the warrant article because it involves life safety equipment. He said he was concerned that they have the Scott packs now and will have had them for 2 years when the first payment is due on a 10 year life product.

Mr. Capello corrected that the units have a 15 year life span. He said the plan is that after this year to continue to fund the CRF so that in 15 years they will be able to purchase new air packs.

Mr. King asked if after the 5 year lease is up if they would turn the units in and start over again.

Mr. Capello said after 5 years the Town would own the air packs.

Ms. McElhinney asked for the total amount in the CRF that would be used for this purpose.

Mr. Capello said there is approx. \$45,000 in the CRF but because of the lease statutes the money can't be used for the first payment and can only be used for the last lease payment. The original plan was to put that money as a down payment to reduce the first payment but it is not allowed by state law he said.

Ms. McElhinney asked what was added to this fund last year.

Mr. Capello said \$15,000 was added to this CRF.

Mr. Henry asked if the deadline to order the air packs was Oct. 31 of 2018 or 2019.

Mr. Capello said the deadline was Oct. 31, 2018. He said they have already ordered and received the air packs and the lease. This is a housekeeping item for DRA he said.

Mr. Henry said the Selectmen can enter into a lease up to 5 years.

Mr. Capello said that is true only for property leases and can't be done for equipment.

Mr. Johnson said that is why that it is important that the lease has an escape clause in case the article doesn't pass and the Town does not receive a grant so we can return the equipment and get out of the lease.

Ms. McElhinney asked if there was a fine involved with the escape clause.

Mr. Capello said it is common to have escape clauses in municipal leases and there is no fine.

Article #4 – Operating Budget – to raise and appropriate the Budget Committee recommended amount of \$6,920,076 for general municipal operations. This article doesn't include any individual articles addressed separately. Selectmen recommend: Yes

Mr. Capello said they did not know if this is the actual number that the Bud Com will recommend but they included this number so the Finance Administrator could populate the DRA portal. He said this number is different than the bottom line of the budget because it includes the Water/Sewer Depts. amounts which are a wash on the revenue side of the budget.

Article #5 – Add to Highway Equipment CRF – to raise and appropriate \$5,000 from the 2017 unassigned fund balance to be added to the Highway Equipment CRF. No tax impact. Selectmen recommendation: Yes

Mr. Henry asked for the current balance in this fund.

Mr. Johnson said he did not know because there is no fund listed under that name.

Mr. Henry suggested they check the name of the CRF so it would be correct on the warrant.

Mr. Capello reviewed the list of funds and said it is called the Highway Dept. Motorized Equipment CRF and that it has \$132,000 in it as of November 2018. He said he would fix the name of the fund on the article.

Mr. Henry asked if the Selectmen are the agents to expend funds from this CRF.

Mr. Capello said that a special meeting was held to name the board as agents to expend money from this fund. He said this is the fund they added \$50,000 to because of the plow truck that burnt on the morning of Town Meeting last year.

Article #6 – Recreation Equipment CRF – to raise and appropriate \$1,000 from the 2017 unassigned fund balance to be added to the Recreation Equipment CRF. No tax impact.

Selectmen recommend: Yes.

Mr. Johnson said there is \$18,200 in this fund.

Ms. McElhinney asked who the agents are to expend money from this fund.

Mr. Capello said the Selectmen are the agents to expend money from all of the funds.

Mr. Henry asked if this fund could be used to purchase busses for the Rec. Dept.

Mr. Capello said this fund allows for vehicle purchases. He said that is the reason they are still putting money into the account.

Article #7 – Reevaluation – to raise and appropriate \$25,000 from the 2017 unassigned fund balance to be deposited into the Town Reevaluation CRF. Selectmen recommend: Yes.

Mr. Johnson said there is currently \$50,000 in this fund.

Mr. Capello said the contract the board signed locked in the rate at \$62,000 for the statistical update.

Ms. McElhinney asked when the statistical update is due.

Mr. Capello said it (reevaluation) is due this year.

Article #8 – Town Employee Financial Obligation CRF – to raise and appropriate \$3,000 from the 2017 unassigned fund balance to be added to the Town Employee Financial Obligation CRF. No tax impact. Selectmen recommend: Yes.

Mr. Johnson said there is currently \$18,500 in this account which was established to fund payment of benefits (unlimited accrual of vacation, sick days, etc.) for long term employees hired under the old employment policy when they leave employment with the Town. He said this fund was established to pay them from a CRF rather than from the operating budget when they retire and there are 2 employees who qualify for these payments.

Article #9 – Farmington Cable TV SRF – to raise and appropriate \$60,000 from the Community Television Special Reserve Fund to fund staff payroll, cable TV programming, equipment and/or repairs associated with FCTV. No tax impact. Selectmen recommend: Yes.

Mr. Capello said there is approx. \$125,000 in the SRF which is funded from the cable TV franchise fee paid by subscribers.

Article #10 – Landfill Closure CRF – to raise and appropriate \$31,429 from the Landfill Closure CRF for testing of the closure of the landfill. No tax impact. Selectmen recommend: Yes.

Mr. Capello said this fund also has approx. \$125,000 in it and is used to fund the testing of the capped landfill required by the Dept. of Environmental Services (DES).

Mr. King said until recently the Town received a grant for this purpose.

Mr. Capello said the grant expired last year and the Town did not receive any funding.

Mr. Johnson corrected that there is \$142,000 in this fund.

Mr. King said at this rate that means there is enough funding for 4 more years of testing.

Mr. Capello said that hopefully within that time the Town will receive another grant or the Selectmen could use some of the income from the solar farm to be installed at the landfill.

Mr. King asked if the Town has considered putting out a Request for Proposals (RFP) to obtain

alternative proposals at a lower standard while still meeting the state testing requirements. Mr. Johnson said the Town was recently informed by DES and the EPA that we must increase the types of monitoring of the landfill.

Mr. King asked if the \$31,429 reflects the additional testing required.

Mr. Capello said this number reflects the need for additional testing and the Town just received the official notice from the agencies.

Mr. Henry said he would like to see a warrant article next year that would take the lease money from the solar farm at the landfill and add it to this CRF to offset testing costs and make the CRF last longer to avoid a spike in the tax rate once the CRF is depleted.

Article #11 – Bridges & Road Design CRF – to raise and appropriate \$5,000 from the 2017 fund balance to be added to the Bridges & Road Design CRF to pay the 20% match to the NH State Bridge Aid. No tax impact. Selectmen recommend: Yes.

Mr. Johnson said there is \$102,000 in this CRF.

Mr. Capello said there are 4 bridges in town included on the state's "red list" but could recall which bridges were on the list.

Mr. King asked about previous upgrades to the River Road Bridge.

Mr. Capello said the bridge was repaired after the Mothers' Day flood but it has been reinstated to the list. He said there also has been 1 or 2 bridges that have dropped off the red list after the state realized they didn't have enough money to re-do all of the bridges so they modified the qualifications to be considered a red listed bridge.

Article #12 – Building Inspector SRF – to raise and appropriate \$70,000 from the Building Inspector Position Special Revenue Fund to pay the Building Inspector. No tax impact. Selectmen recommend: Yes.

Mr. Henry asked about the amount of revenue being received for this position.

Mr. Capello said it was approx. \$60,000 in the SRF.

Mr. Henry said he wanted to know the amount of revenue generated on an annual basis.

Mr. Capello said he did not know and would find out.

Mr. Henry said if there is enough revenue coming in they may want to consider funding other dept. related expenses such as supplies, fuel, etc.

Mr. Capello said the money can't be used for other purposes based on the wording of the SRF.

Mr. Henry said the purpose and wording of the SRF could be changed.

Mr. Capello agreed that it could be done for next year.

Mr. Henry said there is still time to add another article to the warrant seeking to change the purpose of the SRF.

Mr. Capello said that could be done if the Selectmen wish to do so.

Mr. King requested that the revenue information over the last 3-4 years be provided so the committee could see a trend in the amount of revenue being received from the dept.

Mr. Henry said he would like to see some flexibility added to the SRF so during the years when

it is possible to do so they could pay the Building Inspector's salary and dept. expenses from the SRF.

Article #13 – Depreciation of the Waste Water Treatment Plant – to raise and appropriate \$50,000 to be added to the Waste Water Treatment Plant CRF with \$25,000 to come the Waste Water Enterprise Fund and the remainder to come from the 2017 unassigned fund balance. The Town will match what is deposited from the Waste Water Enterprise Fund surplus. No tax impact. Selectmen recommend: Yes.

Mr. Brown said since one Town Meeting does not bind the next one, someone could make a motion to have the \$50,000 come from the Waste Water Enterprise Fund and \$1 from taxation. Mr. Capello said that is correct.

Mr. King said this is what was proposed to the Town and as far as the Town picking up a portion of the treatment plant upgrade, the first few years we never came to an agreement about how to accomplish this and asked how long the town has funding the CRF.

Mr. Capello estimated it been about 4 years as there is approx. \$225,000 in the account.

Mr. Henry said there was a bond taken out for major upgrades to the treatment plant and half of the cost of the bond is on the sewer users and the other half is on the tax base. Water and sewer users are part of the tax base but only about one-third of the town is on Town water and sewer. This is another tax on the tax base for people that do not have access to the plant. It is often compared to paying for the schools when the taxpayer has no kids in the schools but every property in town has access to the schools but not every property in town has access to the waste water treatment plant but are being asked to pay for it he said.

Mr. King said that all of the public buildings in town are on Town water and sewer.

Mr. Henry asked if the public buildings are metered on their water/sewer usage.

Mr. Capello said they are metered.

Mr. Henry said we pay for the Town buildings' portion when we pay to operate the Town buildings and we shouldn't pay again in his opinion.

Chairman Arcouette asked Mr. Henry for his solution to the issue.

Mr. Henry said he liked Mr. Brown's suggestion of paying \$1 from taxation.

Mr. Brown said he respected the fact that this was voted at Town Meeting years ago and he brought it up for conversational purposes because it something that taxpayers have the opportunity to change and that like Mr. Henry he is also not on the system.

Mr. King said the infrastructure upgrade is going to cost more each time it is done by state mandate. He said the one unfortunate thing about our system is that there are not that many users on the system and people that are not on the system are not asking to be connected because it is a higher cost. If the users were to bear the full cost it would be very difficult for them he said.

Mr. Brown said if the Town would agree to connect him he would be glad to contribute.

Mr. King said he might have to pay for his own line to be put in which might be cost prohibitive.

He said the same would apply to someone putting a business close to a water line and wanted to be connected to Town water they would also have to pay to have the water line put in.

Ms. McElhinney said she did not like the line in the article that says “and the remainder to come from the 2017 unassigned fund balance”. She said she would rather it not say “remainder” and instead should state a solid number.

Mr. Henry said it can’t be stated that way because it is a matching amount to whatever is contributed from the Enterprise Fund.

Mr. Capello said DRA made the towns take out the phrase “up to” in the warrant articles so an up to amount can’t be stated in the article.

Ms. McElhinney asked if there is any idea what the amount of the “remainder” might be.

Mr. Capello said it depends on what is left in the Sewer Dept. budget at year end.

Mr. King said it would be \$25,000 from the unassigned fund balance if \$25,000 was contributed from the Enterprise Fund surplus. He said the engineers advised the Selectmen at the time it was built that they had to plan to pay to rebuild the entire plant in 20 years and the board said that was not reasonable. They wanted us to pay a bond for \$12 million and pay \$12 million for 100% depreciation doubling the cost of the plant and the board decided to set aside 25% each year so in 20 years the Town would have enough to pay for the next upgrade.

Mr. Capello said at that time the state was also giving funding for these projects which they don’t do any more.

Mr. King said the next unfunded mandate could be a \$20 million bill and the only way the taxpayers could afford it is if we were to get funding.

Article #14 – Police Outside Details - to see if the town will vote to establish a revolving fund pursuant to RSA 31:95-h for the purpose of Police Special Details. All revenues received for Police Special Details will be deposited into the fund and the money in the fund shall be allowed to accumulate from year to year and shall not be considered part of the Town’s general fund balance. The Town Treasurer shall have custody of all money in the fund and shall pay out the same only upon order of the governing body and no further approval is required by the legislative body to expend. Such funds may be expended only for the purpose for which the fund was created. Selectmen recommend: Yes.

Mrs. Connolly asked if a Police Special Details fund already exists.

Mr. Capello said the next warrant article is to discontinue the existing Special Details Fund. He explained that one year the Town purchased 2 cruisers from this fund and over spent the fund and was “dinged” on it by DRA. They advised that the Town set up a revolving fund for this purpose which is allowed to be over spent he said.

Mr. Johnson said the RSA originally only allowed revolving funds for the Conservation Commission and the Recreation Dept. but it has been updated to also allow police and ambulance revolving funds. He said that currently the money from Police details goes into the SRF and each year at Town Meeting they withdraw money to pay their overtime or purchase

cruisers. The change to the RSA lets the Town put it into a revolving fund so it doesn't have to go to Town Meeting to withdraw the funds he said.

Mr. Brown said he was concerned that Article #14 establishes a revolving fund and Article #15 rescinds the Special Revenue Fund...

Mr. Johnson said there needs to be a clause in Article #15 that if Article #14 doesn't pass then Article #15 will be null and void.

Mr. Henry asked if the articles could be combined.

Mr. Capello said the language for Article #14 came straight from DRA as to how it must be written. He said he would include language in Article #15 that it is dependent on Article #14 passing.

There was no discussion on Article #15 (to discontinue the Police Special Detail Revenue Fund).

Article #16 – Master Plan – to raise and appropriate \$20,000 from the 2017 unassigned fund balance to be added to the Town Master Plan CRF. No tax impact. Selectmen recommend: Yes.

Mr. Johnson said the fund currently has \$16,000 in it.

Ms. McElhinney asked when the Master Plan update would be completed.

Mr. Johnson said they hope to have it done by this summer or early fall.

Ms. McElhinney said she thought the cost for the plan is \$40,000 and noted the balance in the fund.

Mr. Capello said the total cost is \$40,000 and that \$20,000 was approved at last year's Town Meeting and this article is to pay the remaining \$20,000. He said there is a \$16,000 balance in the fund because we haven't paid all of the bills for the consulting work yet.

Article #17 – Use of Undesignated Funds – This article is advisory only. To see if the voters would like to use the undesignated fund balance to fund the yearly CIP or to use it to lower the tax rate

Mr. Johnson said this article will be deleted from the warrant. He said the board was unable to determine the appropriate language for what they are trying to do and it would end up being a 2 page warrant article to try to explain it.

Mr. Capello said it could not be deleted until the Selectmen vote on it.

Mr. Brown said that at the end of the warrant there is usually an article for the Town to conduct any other business that comes before the body and suggested this may be the appropriate place to get a feel for how the taxpayers want to spend the undesignated fund balance.

Mr. Henry said this is a good idea and suggested that they publicize that there will be a discussion on this topic and people may be encouraged to attend and stay to listen to the information.

Mr. Johnson said the board would take their suggestions under advisement.

Mr. Henry said he would like to see a third choice included to build up the amount of cash on hand from these funds. He said he would to see them have a targeted number for the cash balance to be maintained in the unassigned fund balance.

Mr. Johnson said building up the cash portion of the unassigned fund balance was part of the discussion with the Auditor.

Mr. Capello the board is also looking at developing an undesignated fund balance policy following Town Meeting.

Mr. Johnson said Mr. King mentioned earlier that the Town has historically retained about 8% in cash in the undesignated fund balance which will probably be increased. He said he agreed with the need to increase the cash holdings when about 80% of the fund is tied up in liabilities.

Article #18 – Revitalization of Main Street – to raise and appropriate \$440,000 to improve bicycle and pedestrian safety in the downtown sections of Main and Central Streets. This appropriation will be offset by a Transportation Alternatives Program (TAP) grant of \$325,000 with \$88,000 to come from general taxation. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until Dec. 31, 2022. Tax impact: 20 cents. Selectmen recommendation: Yes.

Mr. King asked why this article has a date with it.

Mr. Capello said there has to be a date included for when the appropriation will lapse.

Mr. King asked if this means the project has to be completed by then.

Mr. Capello said it has to be completed by that date otherwise the money goes back to the general fund.

Mr. Henry asked if they should make the date longer.

Mr. Capello said he put in this date as a place holder and he did not know the maximum length allowed for a lapsing appropriation. He said he intends to discuss it with legal counsel.

Mr. Johnson said that appropriations typically lapse in 1 year but he believed it could be extended to 5 years by voting to make it a non-lapsing appropriation.

Mr. King added this is going to involve changes to Main Street which will fall under the DOT and by the time they get their people and paperwork together it may take longer than expected.

Mr. Henry asked what the revitalization plan includes.

Mr. Capello said it will provide funding for rehabilitation of the sidewalks, landscaping, lighting and reconfiguration of the island on Central Street.

Mr. King asked if there is a rendering of the plan for the project.

Mr. Capello said there was a plan submitted with the grant application but he did not have a copy of it.

Mr. Johnson said the plan was not finalized so if the Town is awarded the grant part of it will be used to finalize the conceptual plan and Public Hearings would be held for public input.

Mr. Brown said if they are going to put this in front of the voters at Town Meeting they are going to want to see some kind of conceptual picture of what is proposed.

Mr. Capello agreed and said he e-mailed Strafford Regional Planning Commission to request a copy of the proposed plan.

Mr. Brown said with the 20 cent tax impact of this article it would be interesting to know the

cost to replace the sidewalks as part of the routine maintenance and if by getting the grant it would actually be saving the taxpayers' money.

Mr. Johnson said it would be much more than \$88,000.

Article #19 – Sidewalk Plow – to raise and appropriate \$70,000 from the 2017 undesignated fund balance to purchase a new sidewalk plow. No tax impact. Selectmen recommendation: Yes
Mr. Henry asked if they still planned to purchase a Bob Cat.

Mr. King said it is a skid steer and Bob Cat is a brand name of a skid steer. He said they are called skid steers as one wheel skids because of the hydraulic motors that power the wheels.

Mr. Capello said this amount also includes additional attachments and the line for rental equipment was reduced as they plan to include the mower attachment for the skid steer and do the road side mowing without having to rent a commercial mower.

Ms. McElhinney asked why this is a separate warrant article and not under the highway equipment line of the budget and who would be responsible for it.

Mr. Capello said the Highway Dept. will be responsible for it and it could come under the highway equipment line but the Selectmen chose to fund it from the undesignated fund balance.

Article #20 – Emergency Motorized Equipment CRF – to raise and appropriate \$40,000 from the ambulance billing revenue to be deposited into the Emergency Motorized Equipment CRF. No tax impact. Selectmen recommend: Yes.

Mr. Johnson said there is \$24,000 in this account right now.

Mr. Capello said the ambulance billing brings in about \$350,000 in revenue.

Mr. Henry asked where the rest of the revenue from ambulance billing goes.

Mr. Capello said it goes into the general fund.

Ms. McElhinney asked what qualifies as emergency motorized equipment.

Mr. Capello said it is pretty much anything to do with the Fire Dept. He said this is earmarked for the 2nd payment for the defibrillators purchased last year and to offset the cost of new radios for the dept.

Mr. Henry asked how a defibrillator qualifies as emergency motorized equipment.

Mr. King said it is not only a defibrillator but also has heart monitor and is part of the ambulance equipment. The other monitors were outdated and no longer serviceable/supported and this monitor offers a higher level of services so we can bill at higher rate when a paramedic is on board he said.

Mr. Capello said the correct name for this fund is the Fire Vehicles and Equipment CRF.

Ms. McElhinney asked if there will be representatives from all of the Town depts. in attendance at the Bud Com Public Hearing on the Town budget.

Mr. Capello said they would not be present at the Public Hearing unless requested but they would be present at Town Meeting.

Ms. McElhinney said the discussion about the status of our fire and ambulance equipment last

year was rather concerning and she would like to get an update from them on the equipment. Mr. Brown said the Town has 4 dept. heads all of whom are salaried employees and that a few years ago they used to see them at Public Hearings. He said he had no problem with Mr. Capello presenting the Town budget but that it would be nice to have them attend the meeting in case something comes up that he can't answer.

Motion: (Brown, second King) to have the dept. heads present at the Public Hearing;

Discussion: Mr. Capello said he would tell the dept. heads to be here for the hearing but it is short notice so he did not know if all of them will be able to attend.

Mr. Henry questioned that it would be short notice for the Public Hearing scheduled for Feb. 7.

Mr. Capello said it is short notice if they have planned vacations.

Mr. Brown said he had no problem with a dept. head sending a designee if they are on vacation as he just wanted someone in attendance to answer questions.

Vote: The motion passed 6-1-1 (King, McElhinney, Arcouette, Henry, Connolly, Brown-in favor, E. Johnson-opposed, **N. JOHNSON-ABSTAINED**).

Mr. Capello said he would send an e-mail to all of the dept. heads with the exception of the Water/Sewer Depts. requesting their presence at the Town budget Public Hearing on Feb. 7.

Mr. Johnson said he abstained because he can't commit the Selectmen to something without a decision of the board.

Article #21 – Fund Future Tech. CRF with TDS Franchise Fees – to raise and appropriate \$3,000 from the TDS Franchise fees to be added to the Future Technology Improvements CRF. No tax impact. Selectmen recommend: Yes.

Mr. Capello said he intended to increase the appropriation to \$10,000.

Mr. Johnson said when the amount of the appropriation was established it was less than \$3,000 as they had no idea many subscribers there would be or how much money would come in.

Mr. Johnson said that they received much more than anticipated from the franchise fees.

Mr. Henry said the article says no amount to be raised by taxation but this is a tax on TDS users.

Mr. King asked if Mr. Henry would rather the Town not negotiate with the company for the portion it is eligible for and let the company keep it all.

Mr. Henry said he didn't like telling people they are not being taxed when they are being taxed.

Mr. King said this revenue comes out of what the company is charging and if the Town did not ask for it the bill may not be any different.

Mr. Henry said he begged to differ as it is a separate line item on the bill.

Mr. Brown said it is like the water/sewer fees in that if you use it, you pay.

Article #22 – Purchase of Thermal Imaging Camera – to raise and appropriate \$10,000 from the 2017 unassigned fund balance to be used to purchase a thermal imaging camera for the Fire Dept. No tax impact. Selectmen recommend: Yes.

Mr. Capello said last year the dept. purchased 1 thermal imaging camera and this year they plan to buy the 2nd one.

Mrs. Connolly asked what would happen if this article fails.

Mr. Capello said then the dept. would only have 1 camera.

Mr. Henry asked why the Fire Dept. needs 2 cameras.

Mr. Capello said so there would be one camera for each of the front line trucks.

Mr. Brown said there could be a fire and a missing person or 2 structure fires at the same time.

Mr. Henry asked if the cameras are used that often.

Mr. Capello that they are used often especially at this time of year when there tends to be more structure fires and they are used to find "hot spots" in the structures.

Mr. Brown added they are sometimes used at a chimney fire to see if the fire has extended into the adjacent walls.

Ms. McElhinney asked why this item wasn't included in Article 20 since this would be considered part of the vehicle.

Mr. Johnson said the cameras are hand-held equipment and could go on any truck.

Mr. Capello said there is not enough money in the Fire Vehicles and Equipment CRF to do that and if the camera was included they would have to increase the amount of revenue from the taxpayers.

Mr. Brown said the cameras are sometimes used by the Police Dept. as well when searching for missing persons in the woods making it a shared resource.

Mr. Henry asked if it is a shared resource or if the Police Dept. has its own cameras.

Mr. Capello said it is a shared resource.

5). Any Other Business to come before the Committee:

Joint Meeting with the School Board- Chairman Arcouette said she received 2 e-mails from School Board Chairman Joel Chagnon and then sent out an e-mail with the suggested dates for the meeting but has only heard from 4 people. She asked the committee what action they would like her to take.

Mr. King asked if the suggested dates were before Town Meeting.

Chairman Arcouette said the School Board wanted to hold the meeting before Town Meeting.

Mr. Brown said he would like to see an agenda for the joint meeting.

Chairman Arcouette asked the members to e-mail any topics of concern to her to be included on the meeting agenda.

Mrs. Johnson asked where the meeting would be held and who would run the meeting.

Mr. Brown said he watched the School Board meeting and it was an invitation from the board to the Bud Com to attend a joint meeting and that it was the understanding of the board that Mr. Chagnon would Chair the meeting. He suggested Chairman Arcouette discuss the protocol for this meeting with Chairman Chagnon.

Mr. Henry said if the meeting is held immediately after the Deliberative Session the School District Moderator would be there.

Ms. McElhinney said she did not attend the last School Board meeting and may not be aware of

any new developments with this issue.

Consensus of the committee was that the length of the Deliberative Session is unknown and to not hold the joint meeting that day. The committee also requested that Chairman Arcouette contact Chairman Chagnon and inform him that due to scheduling conflicts they would like the meeting to be held after Town Meeting and to have members of the School Board and the Bud Com at that time determine a date for the joint meeting.

Library Budget – Mr. Brown asked if there will be a Public Hearing on the library budget. Mr. Capello said the library budget is included in the Town budget Public Hearing.

6). Adjournment:

Motion: (Connolly, second E. Johnson) to adjourn the meeting passed 7-0-1 (**N. JOHNSON ABSTAINED**) at 8 p.m.

Respectively submitted
Kathleen Magoon
Recording Secretary

Sylvia Arcouette, Chairman

