

Town of Farmington  
Budget Committee Meeting Minutes  
Wednesday, March 27, 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.  
Elizabeth Johnson  
Heidi Mitchell  
Samantha Place  
Joshua Whitehouse  
Jeremy Squires

**Committee Members Absent:**

Angie Cardinal, School Board Rep.  
Jason Lauze

**Others Present:**

Arthur Capello, Town Administrator  
Ruth Ellen Vaughn, SAU Superintendent  
Janna Mellon, SAU Business Admin.  
Blanche Tanner

**1). Call to Order:**

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

**2). Pledge of Allegiance:**

All present stood for the Pledge of Allegiance.

**3). Board Reorganization:**

**A). Chairman:** Chairman Arcouette called for nominations for Chairman.

**Motion:** (E. Johnson, second Arcouette) to nominate Jodi Connolly for Chairman;

**Vote:** The motion failed due to a 5-5 tied vote (Whitehouse, E. Johnson, N. Johnson, Connolly, Arcouette- in favor; Place, Mitchell, McElhinney, Squires, Henry-opposed).

**Motion:** (Mitchell, second Place) to nominate Stephen Henry for Chairman;

**Vote:** The motion failed due to a 5-5 tied vote (Place, Mitchell, McElhinney, Squires, Henry-in favor; Whitehouse, E. Johnson, N. Johnson, Connolly, Arcouette-opposed).

**Motion:** (Arcouette, second E. Johnson) to nominate Jodi Connolly for Chairman;

**Discussion:** Mrs. Place asked if either Mrs. Connolly or Mr. Henry were interested in accepting the position.

Mrs. Connolly said she was interested in the position.

Chairman Arcouette noted that Mrs. Connolly has been the Vice Chair for several years.

Mr. Henry said he would be happy to be Chairman as well.

Chairman Arcouette asked if either Mrs. Connolly or Mr. Henry would concede to the other nominee.

Mr. Henry said he would concede to Mrs. Connolly.

**Vote:** The motion passed 6-4 (Whitehouse, E. Johnson, N. Johnson, Connolly, Henry, Arcouette-

in favor; Place, Mitchell, McElhinney, Squires-opposed).

Mrs. Arcouette said she would like to make a statement before turning the gavel over to Mrs. Connolly. She said she wanted to thank the committee for the last 2 years as Chair and for their patience while learning the job which everyone has to do when they sit in that chair and that she hoped the coming year will be a better year than last year. She said there was a lot of grief, condescension and disrespect going on and she hoped that would not happen this year. I hope we have a smooth running committee and that everybody will get along she said.

**B). Vice Chairman:** Mrs. Connolly took the Chairman's seat at the table and asked for nominations for Vice Chairman.

**Motion:** (Whitehouse, second E. Johnson) to nominate Stephen Henry for Vice Chairman;

**Vote:** The motion passed 10-0.

**C). Secretary:** Chairman Connolly asked for nominations for committee Secretary.

**Motion:** (Henry, second Mitchell) to nominate Sylvia Arcouette for Secretary;

Mrs. Arcouette accepted the nomination.

**Vote:** The motion passed 9-1 (Arcouette-opposed).

**D). Rep to the Capital Improvements Plan Committee:** Mrs. Johnson reminded Chairman Connolly that they needed to select a rep to the CIP to fill the vacancy left by Tim Brown.

Mrs. Connolly asked what it would entail to be the Bud Com Rep to the CIP Committee.

Mr. Capello said that the committee usually meets on Thursday afternoons and starts meeting once a month in August but there is a potential for 2 monthly meetings depending on where they are in the process which runs through January/February.

Mrs. Arcouette volunteered to become the representative to the CIP Committee.

#### **4). Public Comment:**

**New B. A.** - Mrs. Vaughn came forward to introduce Janna Mellon as the new SAU Business Administrator.

Ms. Mellon said she started working at the SAU on Feb. 11 and that it is great to have a whole new year ahead of us. We are looking at making improvements across the board and I'm looking forward to working with all of you she said.

**Citizen Statement-** Mrs. Johnson stepped down from the committee and read a personal opinion statement regarding Mrs. Cardinal's actions at the March 13 Town Meeting and submitted it for the record. (See attached for Mrs. Johnson's statement).

Chairman Connolly said she didn't think the Bud Com can do anything about Mrs. Cardinal's appointment as the rep to the Bud Com as it is a School Board decision.

Mrs. Johnson said she requested that another School Board member replace Mrs. Cardinal as the School Board Rep to the Bud Com as a private citizen.

#### **5). Review of Minutes:**

**December 12, 2018** – No errors or omissions

**Motion:** (Arcouette, second E. Johnson) to accept the minutes as written passed 9-0-1 (McElhinney abstained).

Mr. Henry advised the new members that usually if you weren't at the meeting you abstain from voting on the meeting minutes.

December 26, 2018 – No errors or omissions

**Motion:** (Arcouette, second Henry) to accept the minutes as written passed 7-0-3 (Whitehouse, Squires and McElhinney abstained).

January 10, 2019 – No errors or omissions

**Motion:** (Arcouette, second E. Johnson) to accept the minutes as written passed 7-0-3 (McElhinney, Squires, Whitehouse abstained).

January 23, 2019 – No errors or omissions

**Motion:** (N. Johnson, second Arcouette) to accept the minutes as written passed 8-0-2 (Whitehouse, Squires abstained).

January 24, 2019 – No errors or omissions

**Motion:** (E. Johnson, second Arcouette) to accept the minutes as written passed 6-0-4 (Mitchell, Place, Squires, Whitehouse abstained).

February 2, 2019 – Written by then Secretary Henry

**Motion:** (Place, second E. Johnson) to accept the minutes;

**Discussion:** Mr. Johnson said they needed to add the votes that were taken when the meeting reconvened following the School District Deliberative Session.

Chairman Connolly said they also need to add that the meeting was reconvened.

Mr. Henry said he has the warrant article vote counts.

**Motion:** (N. Johnson, second Arcouette) to table the minutes and to add the resumption of the meeting and the vote counts for the warrant articles passed 7-0-3 (McElhinney, Whitehouse, Squires abstained).

February 7, 2019 – No errors or omissions

**Motion:** (Place, second Mitchell) to accept the minutes as written passed 6-0-4 (Whitehouse, Squires, McElhinney and Henry abstained).

February 19, 2019 – add that Mr. & Mrs. Johnson's absences were excused,

**Motion:** (N. Johnson, second Place) to accept the minutes as amended passed 5-0-5 (Whitehouse, E. Johnson, N. Johnson, Squires, McElhinney abstained).

## **6). Introduction of New Members:**

Chairman Connolly said two new members were elected to the Budget Committee and introduced Joshua Whitehouse and Jeremy Squires to the committee and the audience.

## **7). Review Town Reports:**

Mr. Capello said everything has been entered into the budget and the MS-727 form would be going to the Selectmen for their signatures on Monday. It will then be uploaded to the Dept. of

Revenue Administration portal and the Town is now working off of the actual budget he said. He said the Selectmen have purchased the new thermal imaging camera and the sidewalk plow (as approved by the voters).

Mrs. Place asked about the new (air) packs for the Fire Dept.

Mr. Capello said the Fire Dept. had already received the air packs.

**Recreation Dept. Memo:**

Members received a memo from Rec. Director Rick Conway with answers to the committee's questions from a previous meeting.

Chairman Connolly asked if the numbers in the memo were still pretty accurate (regarding the balances in the various programs and the Rec. Revolving fund).

Mr. Capello said they are "moving" numbers with a different balance each week.

Mr. Henry said the memo is dated Jan. 14, 2019.

Mr. Capello said Mr. Conway typically puts this information in his monthly report to the committee and that the March report has not been received yet.

**Remittance Report** (01/01/2019-02/28/19):

There were no questions on this report.

**Actual & Budgeted Expenses & Encumbrance-Parks & Recreation** (Feb. 2019):

There were no questions/comments on this report.

**Actual & Anticipated Revenues-Parks & Recreation** (Feb. 2019):

Line 04-3409-50 School Year Programs (Prior Year Revenues-\$9,859.50; Current YTD Revenues-\$17,110) **Mr. Johnson asked why the revenue is so high.**

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

Mrs. Place said that usually the amount in the Percent Left column isn't zero.

Mrs. Johnson said this report was printed when there was no current year budget yet.

Chairman Connolly said there should be an amount left in this column in next month's report.

**Actual & Anticipated Revenues-General Fund** (Feb. 2019):

Mrs. Place asked if everything is going as anticipated.

Mr. Capello said there are no "hiccups" at this time. He said two Police cruisers involved in an accident but the insurance is paying for their repairs.

**Actual & Budgeted Expenses & Encumbrance-General Fund** (Feb. 2019):

Ms. Mitchell said the Revenue Report has mostly zeros because there was no budget yet but there are funds shown in this report for the same time period.

Mr. Capello said that is because the committee had asked for the proposed figures to be entered in and then they would go back and change it after the budget was approved if needed.

Mrs. Place said that it was inconsistent across the reports and that is why they were confused. She pointed out there is an actual percentage left in the Percent Left column in this report but the Encumbrances column has all zeros.

**Mr. Capello said he would find out about the inconsistencies in the reports.**

## **8). Review School Reports:**

Mrs. Vaughn said they wanted to be present for the first meeting of the new committee in case there were any questions and that they would answer the questions as they arise or have a prepared statement for them in time for the next meeting. She noted that they missed the Feb. meeting and asked if there was anything they needed to catch up on.

Mr. Johnson said their questions were answered at the January meeting and there was no meeting in Feb.

Mrs. Vaughn said the next time the committee sees reports from the School District there will be some changes to them as the Business Administrator cleans up the lines that are scattered through the budget and enters them into the correct cost centers and eliminates the unused cost centers. The historical data will remain with the lines but some of the lines may shift from as you have seen them she said.

She gave an example of how some of the charges for the Henry Wilson School are scattered throughout the budget and will now be put together in one cost center.

Ms. Mellon said when they have to report to the Dept. of Education (DOE) they make them break things down by elementary, middle and high school. She said there are some numbers left over from when Middleton was part of the district and some numbers that were ported over and continued to be used even though they don't have a Middleton code anymore just because that is what the account description says. The software company assured her that the history that went with the old number will be attached to the new number she said.

Mr. Henry asked if the state looks at the Henry Wilson School as a middle school or from a certain grade to a certain grade.

Mrs. Vaughn said they look at kindergarten through grade 8 as elementary school.

Ms. Mellon said for budgeting purposes they will still keep a separate budget for the middle school but they have to pull it together for the DOE so it becomes one k-8 budget.

She then told the members that next month they will also notice some changes in the salary lines. She said they discovered that there were certain positions paid from the Special Education line that should have been paid from the Behavioral Specialist line and made the changes to those lines

Mr. Henry asked if those are the contracted positions.

Mrs. Vaughn said they are not the contracted positions. She said Behavioral Services were budgeted that way but were still being paid out of the Spec Ed line to transfer the lines. The Behavioral Services line hasn't been going down any but Spec Ed is dipping down and they will be adjusted back to where they are supposed to be she said.

Mrs. Arcouette asked if Behavioral Services and Spec Ed are being combined.

Mrs. Vaughn said the teachers in Behavioral Services that were paid out of Spec Ed. They were charged to the wrong lines and we need to correct where that has been accounted she said.

Chairman Connolly said then the adopted budget and revised budget numbers won't change.

Mrs. Vaughn said it will be the expended items that will be change.

Ms. Mellon said there have been some staffing changes because when there are kids with different needs the staffing needs change too so there may be something expended out of Behavioral Services because somebody shifted their role during the year and we changed the account to match that but the bottom line will remain the same.

Mr. Henry said for years the practice had been to revise the budget when the decision was made to spend some more money over here and to not spend money over there. He said the previous Business Administrator recommended no longer revising the budget and to show the lines that were over expended and under spent.

Mrs. Vaughn said they intend to continue with that practice.

Ms. Mellon said the district's auditors also supported that recommendation because a budget is just a tool and if you are moving money around to match last year's numbers you're not budgeting for the future. So that is what we are doing she said.

Mr. Johnson asked if the Special Ed section of the budget will be out of kilter for the rest of the year as they move stuff around. He said they spent out of wrong lines and budgeted incorrectly.

Mrs. Vaughn said the budgeting piece was done more or less correctly but was expended against the wrong lines this year. We are correcting the expenses so you are going to see some money go back into Spec Ed that looks like it's already been expended and you will see it taken out of Behavioral Services she said.

Mrs. Place said it wasn't budgeted incorrectly but it was charged to the wrong line.

Mr. Johnson said anyone looking at the budget is going to see overages and shortages which will play havoc with those lines.

Mrs. Vaughn said there is more havoc now than there will be when they correct it.

**General Fund 10 YTD Expenditure Report (2/1/2019-2/28/2019):**

There were no questions about this report.

**YTD Expenditure Report-Grants Special Revenue Funds (7/1/18-6/30/19; printed 3/12/2019):**

Chairman Connolly asked how the district is doing on grants.

Mrs. Vaughn said the expected revenues for this year are coming in and they are looking to see what revenues they will have for next year as the allocations trickle in so it will be a little bit before we know where some of the things fall as far as what they can expect.

Chairman Connolly asked if there will be no FAMEE next year.

Mrs. Vaughn said they are still waiting to hear back from the state and they don't know the status of grant appeal. She said they are funded for this year through June 30 and that typically they don't hear about the next award cycle until the end of May. I don't know if that will change for this year and we may know sooner or we may know later she said.

Chairman Connolly asked what would happen if the district doesn't get the grant.

Mrs. Vaughn said they have been telling the town right along if they don't receive the grant that it is not part of the budget and without the grant the program doesn't run. She said they are

looking at contingencies where if the program doesn't run they may be able to do an abbreviated program for some type of after school academic program through other grant funding. We are looking to see what we can do in case we don't get it as it is a highly competitive grant and we don't have a guarantee she said.

Mr. Whitehouse asked Mrs. Vaughn to keep the committee updated as the process continues. Mr. Henry said when the School District budget was presented in November there were several other grants that were not included as they were not sure of their status and asked if there was any news about those grants.

Mrs. Vaughn said the FAMEE grant was not included in the budget presentation and that it appears that many of the grants will be reduced by about 20% from last year. She said they have received one verbal response saying they will receive around the \$40,000 received last year from the Title 4 grant which is an umbrella grant with separate portions to be spent for technology, security, wellness and innovative programming (includes the FAMEE grant). She explained that the Title 2A grant is for professional development or class size reduction, Title 6 is a Rural Education grant with some latitude on how it can be spent but it is not awarded until Jan., Title 1 is tied staffing needs and Title 3 is for school districts with speakers of other languages so the district doesn't receive these funds.

**All Funds – Revenue Report 7/1/18-6/30/19 printed 3/12/19):**

There were no questions on this report.

Mrs. Johnson asked for the status of the audit.

Ms. Mellon said the auditor said that a reasonable estimate as to when the 2018 single and financial audits would be done is April 30.

Mrs. Vaughn said that an Audit Committee has been established that will oversee the audit process. The committee will consist of a School Board member (Ms. McElhinney) and they will be looking for community representation on the committee so there will be another oversight to make sure the pieces happen on time and there are other eyes on the process.

Mr. Whitehouse asked how they plan to solicit volunteers for this committee.

Mrs. Vaughn said she assumed that the board would be putting it out to the community soon and noted that they just reorganized the board at the last meeting. It will probably be done at the next meeting or the meeting after as once we have an audit report we will need a committee to review them she said.

Ms. Mellon said they provided the School Board with some sample charters with some of the things that a committee does and some suggestions for the formation of the committee.

Mrs. Arcouette asked if they would be sending out an e-mail to the Bud Com to let them know in case someone wants to be on the committee.

Mrs. Vaughn said as community members they would be welcome anyway.

**9). Old Business:** None

Unfinished Questions – None

**10). New Business:** None

**11). Next Meeting:** Wednesday, April 24, 2019

**12). Adjournment:**

**Motion:** (N. Johnson, Arcouette) to adjourn the meeting passed unanimously at 7:50 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

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Jodi Connolly, Chairman



Attach to 3-27-19  
(Minutes (BUDGET))

First off, I am speaking as a private citizen and not as a member of any board or committee. These are my own personal thoughts and opinions.

I would like to address an incident that occurred at Town Meeting on March 13<sup>th</sup> that I find very disturbing. During the discussion of Warrant Article 10, Optional Fiscal Year, the Farmington School Board Rep to the Budget Committee cited RSA 24:15, reading it as "RSA 24:15....um...it states that "No elected or appointed official, shall pay, or agree to pay, or incur any liability for the payment of, any sum of money for which the.....um.... governing.....body has made no appropriation." She goes on to say that she talked with folks and asked around the state how it was possible that the Town of Farmington as a Municipality was spending money during January and February that isn't appropriated by the voters? The answer that she got was 'Oh, that's how it's always been. ' Doesn't mean it's the right thing to do..." Mrs. Cardinal continues with "This petition warrant article, I believe, comes at an excellent time because it's an opportunity for us to be proactive and not wait for the Attorney General's Office to enforce it across the state" thus giving the residents of Farmington the very false impression that the Board of Selectmen and town administration are handling the Town's financial affairs in an improper and possibly illegal manner. Town Attorney Roman cited RSA 32:13 II which states "This subdivision shall not be construed to affect the authority of the local governing body, in towns with a March annual meeting and a January through December fiscal year, to make expenditures between January 1 and the date a budget is adopted which are reasonable in light of prior year's appropriations and expenditures for the same purposes during the same time period." showing the town was doing absolutely nothing improper.

A few days later it came to light that the RSA Mrs Cardinal was referencing was very specific to counties. It reads: RSA Title: County Conventions – Exceeding Appropriations

RSA 24:15 (I) - No **county commissioner, or elected or appointed county officer**, shall pay, or agree to pay, or incur any liability for the payment of, any sum of money for which the **county convention** has made no appropriation, or in excess of any

appropriation so made except for the payment of judgments rendered against the county.

**Nowhere** in the actual RSA does it say that the RSA applies to an “elected or appointed official” as Mrs. Cardinal leads us to believe. **Nowhere** in the actual RSA does it mention the “governing body” as Mrs. Cardinal inserts into her quote of the RSA. Mrs. Cardinal deliberately and intentionally removed the references to “county” and substituted her own wording in an attempt to deceive the voters into thinking this was an issue that needs to be addressed before the Attorney General’s Office steps in to enforce it throughout the state.

Given the issues last year and now this deliberately twisted misstatement of state law RSA 24:15, I am asking Mrs. Cardinal and the Farmington School Board to reconsider Mrs. Cardinal’s continued tenure on the Budget Committee. It makes no sense to have a School Board Representative on the Budget Committee who has spent the last year and a half discrediting the Budget Committee. And for this elected official – who should be held to a higher standard- to go and deliberately change the wording of a state law and mislead the public to suit her own personal agenda is just inexcusable and unconscionable.

I have copies of this statement, RSA 32:13 (II), RSA 24:15, and a transcript of Mrs. Cardinal’s remarks at Town Meeting (with time stamps) for the recording secretary to enter into the minutes. I will also be sending copies to the Farmington School Board and the New Hampshire School Board Association.

Thank you,

Elizabeth Johnson

Farmington resident

Actual Time Mark 3:48:55 of Town Meeting Video (Time Mark 0:00:10 of Clip)

Mrs Cardinal -

“RSA 24:15.....um...it states that “No elected or appointed official, shall pay, or agree to pay, or incur any liability for the payment of, any sum of money for which the.....um.... governing.....body has made no appropriation.”

She goes on to say that she talked with folks and asked around the state how it was possible that the Town of Farmington as a Municipality was spending money during January and February that isn't appropriated by the voters? The answer that she got was ‘Oh, that’s how its always been. Doesn’t mean it’s the right thing to do...”

Mrs. Cardinal continues with “This petition warrant article, I believe, comes at an excellent time because it’s an opportunity for us to be proactive and not wait for the Attorney Generals Office to enforce it across the state.”

What RSA 24:15 actually says:

RSA Title: County Conventions – Exceeding Appropriations

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Actual Time Mark 3:51:26 of Town Meeting Video (Time Mark 00:02:30 of clip)

Town Counsel refers to RSA 32:13 (II) which allows Towns to operate from January until the March Town meeting.

**32:13 Contracts; Expenditures Prior to Meeting. –**

II. This subdivision shall not be construed to affect the authority of the local governing body, in towns with a March annual meeting and a January through December fiscal year, to make expenditures between January 1 and the date a budget is adopted which are reasonable in light of prior year's appropriations and expenditures for the same purposes during the same time period.