

Town of Farmington  
Budget Committee Meeting Minutes  
Wednesday, April 24, 2019

**Committee Members Present:**

Jodi Connolly, Chairman  
Stephen Henry, Vice Chairman  
Sylvia Arcouette, Secretary  
Neil Johnson, Selectmen's Rep.  
Elizabeth Johnson  
Jason Lauze  
Samantha Place  
Heidi Mitchell  
Joshua Whitehouse

**Others Present:**

Arthur Capello, Town Administrator  
Bruce Bridges  
Blanche Tanner

**Committee Members Absent:**

Angie Cardinal, School Board Rep., excused  
Linda McElhinney, Alternate School Board Rep., excused  
Jeremy Squires , Excused

**1). Call to Order:**

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

**2). Pledge of Allegiance:**

All present stood for the Pledge of Allegiance.

**3). Public Comment:**

Resident Blanche Tanner asked if the attorney's letter mentioned in the Dec. 12 Bud Com meeting minutes regarding the attorney's advice on potentially pursuing any further legal action has been released to the public and if so if she could get a copy of the letter. She added there has not been any discussion on this matter since December and she would like to know how it was resolved.

Mrs. Arcouette said the members received copies of the legal letters and voted to release them to the public.

Mr. Capello said that letter was regarding the non-meeting held by the Bud Com and he did not have a copy of it as it went directly to the Bud Com.

Mr. Henry said he would send a copy of the letter to the Selectmen's Secretary and ask her to provide a copy of it to Ms. Tanner.

Ms. Tanner asked Mr. Whitehouse why he wants to be on the Bud Com and what he hopes to bring to the Bud Com process.

Mr. Whitehouse said he ran for the Bud Com because he was concerned about the lack of

decorum and civility on the committee and that he would like to contribute to the process as another set of eyes to watch the money and see that it is going to the right places.

Ms. Tanner said she planned to ask the same question of Mr. Squires who is also a new member of the committee but Mr. Squires was absent from the meeting.

Ms. Tanner said she also had a quick question regarding the Town budget.

Chairman Connolly asked her to ask her question during the review of the Town Reports.

#### **4). Review Minutes:**

March 27, 2019 – No errors or omissions

**Motion:** (Arcouette, second N. Johnson) to accept the minutes as written passed 8-0-1 (Lauze abstained).

February 2, 2019 – Submitted by then Committee Secretary Henry from Deliberative Session

**Motion:** (Henry, second Arcouette) to un-table the minutes of 2/2/19 passed 9-0.

**Motion:** (Henry, second Arcouette) to accept the minutes as written passed 8-0-1 (Whitehouse abstained).

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

Mr. Capello came forward and Chairman Connolly asked the members to begin with the Parks & Recreation revenues and expenses reports they received at this meeting.

##### **Parks & Recreation Dept.-**

**Actual & Anticipated Expenses & Encumbrance Report** - Mrs. Place said the report did not pull over the Current Year Budgeted amount (all lines populated with zeros) so the report is out of skew. She said that she always reviews the Percent Left column (also populated with zeros) and that this month this report was not very useful. She asked if there was anything going on in the Rec. Dept. that the committee needs to know about.

Mr. Capello said there was nothing out of the ordinary going on there.

**March Monthly Memo** - Mrs. Place asked if the Rec. Dept. Monthly Report was something the Selectmen received every month from the Rec. Director and requested that the Bud Com keep receiving the memo as she found it helpful to know what is going on at the Rec. Dept.

Mr. Capello said the Director submits a monthly report during the winter and then it drops back to quarterly during the rest of the year due to the busy schedule for the dept.

**Rec. Revolving Fund** – Page 3- Mrs. Connolly asked why there is already a debit in the Summer Camp line.

Mr. Capello said it could be due to purchasing supplies to get ready for the program.

##### **General Fund -**

**Remittance Report** – There were no questions/comments from the committee.

Mr. Capello said everything is on track with the remittances.

**Actual & Anticipated Revenues** – Ms. Mitchell said when she looked at this report the committee received for their December meeting she could see all of the taxes received and

there are amounts shown in the columns. She said that in April the report starts off with all zeros again and asked why they don't take the amounts collected from the previous fiscal year and put it in this report and why these numbers don't show up until the end of the year.

Mrs. Place recalled from a previous discussion that there aren't enough columns for all of the information the committee wanted included in the report.

Mr. Capello said that is correct and it could possibly be included in the Prior Year PTD Revenues column but it would be inaccurate for this year as the tax rate and the numbers of people who pay/don't pay their taxes changes. He said they had looked at including prior data in this report but there just aren't enough columns in the software program.

Ms. Mitchell asked if there is a way they could know how much money YTD has been collected in taxes.

Mr. Capello said the Town hasn't taken in anything in taxes yet because the first half year tax bills go out in June.

Ms. Mitchell asked about the people who didn't pay their taxes on time and paid them late.

Mr. Capello said that would be accounted for in last year's books.

Ms. Mitchell asked if she paid her taxes in February if it would show in December.

Mr. Capello said he did not know the exact answer to her question and that he would ask Town Clerk/Tax Collector Kathy Seaver for the answer.

Mr. Henry noted there are taxes that are several years old that get paid.

Ms. Mitchell said she found it strange that there are numbers in the report and then suddenly it goes to zero when we do have the information that somehow could be given to the committee. She said then at least they would have some idea of where we are at as they build the budget.

Mrs. Place asked if that is what the Remittance Report is.

Ms. Mitchell said she found that report confusing.

Chairman Connolly suggested there may be another report that could be given to the committee with data on the previous revenues collected.

Ms. Mitchell said she was looking for something that would show the amount collected to the date of the report.

Mr. Capello said he would ask Mrs. Seaver.

**Actual & Budgeted Expenses & Encumbrance Report** – Page 1, Line 01-4130-10-560

Administration Dues (\$5,519 budgeted, \$5,567 spent) Mrs. Place if this is something that is paid yearly and that is why this line is already over spent.

Mr. Capello said that is correct.

Line 01-4130-10-630 Administration Maintenance Agreements – (\$27,771 budgeted, \$18,237 spent) Mrs. Place asked if this is a similar situation to the above line.

Mr. Capello said that it is similar in that they get most of the agreements at the beginning year and a few at the end of the year.

Page 4, Line 01-4210-10-341 Police Dept. Telephone (\$6,000 budgeted, \$4,422 spent) Mrs.

Place said this line is already almost spent and asked what is going on there.

Mr. Capello said part of the issue was the dept. pays for phone service one month in advance but was doubled billed because of the way the billing system worked. We have since reduced the bill by meeting with the company and getting rid of some of the things we don't need he said.

Mrs. Place said then this line will be over spent by a lot.

Mr. Capello said that is correct.

Page 5, Line 01-4210-95-260 Workers' Comp/Police (\$25,140 budgeted, \$24,140 spent) Mrs. Place asked if this amount is also accounted for someplace else in the budget. She said this line in all of the other depts. is at about 80% expended but this one seems like it is out of whack. Mr. Capello said the Workers' Comp is budgeted based on their best guess and when the bill comes in from Workers' Comp the Finance Administrator redistributes it among the depts. Some depts. are over budgeted and some are under budgeted based on the distribution by Workers' Comp he said.

Mrs. Place noted that most of the line is already spent and that it is only April and asked if they under budgeted this line by 75%.

Mr. Johnson said this is a once a year bill.

Mrs. Place asked why the other dept. lines aren't billed out like this one is.

Mrs. Johnson said the total Workers' Comp cost is split among the depts.

Mrs. Place said in some of the depts. this line is unspent and some of them the expenditure is perfectly matched to the amount budgeted.

Mr. Whitehouse asked which dept's. Worker's Comp lines are unspent.

Mr. Henry asked if the Town gets a breakdown of the bill because jobs will be rated differently such as with a Police Officer who would have a higher Worker's Comp rate than a Town Administrator because it is a riskier job.

Mr. Capello said the bill is broken down by Primex and that is how the Finance Administrator divvies it up among the depts.

Mr. Johnson asked if the DPW has the highest Workers' Comp rate.

Mr. Capello said that the Police and Fire Depts. have the highest rates especially for the Fire Dept. with the new law requiring cancer coverage for Firefighters.

Page 4, Line 01-4194-95-260 Workers' Comp/Buildings (\$530 budgeted, \$0 spent) Mrs. Connolly asked about the purpose of this line and why it isn't spent.

Mr. Capello said this is the Workers' Comp line for the Janitor who is a Town employee and has coverage through the Town. He said he will find out why the line is unexpended.

Page 9, Line 01-4321-30-431 Landfill OT (\$700 budgeted, \$711.84 spent) Mrs. Place asked if the reason for over time at the landfill was due to an employee injury.

Mr. Capello said it is due to lack of sufficient staffing.

Mrs. Place asked if this has been resolved.

Mr. Capello said it has not been resolved and they are still looking for additional staff.

Chairman Connolly asked if the staffing is accounted for where we are paying for over time but not for another employee. She asked if there would be some savings in salary and benefits.

Mr. Capello said they will see some savings in the staff line but not in benefit costs as it is a part time position with no benefits.

Mrs. Place said there would also be a little bit of savings in the FICA, etc. costs.

Mr. Henry said there could be some increase to the payroll costs because of the over time paid to existing employees.

Page 11, Line 01-4583-10-964 Patriotic Purposes (\$1,000 budgeted, \$0 spent) Mr. Whitehouse asked about the purpose for this line.

Mr. Capello said this line is expended for the Memorial Day Parade and for the large U. S. flags at the Town buildings and downtown.

Mr. Johnson said the flags on the poles downtown are sponsored through a joint venture by the American Legion Post and the Farmington Preservation and Improvements Organization to pay for, install and maintain the flags he said.

Page 13, Line 01-4902-70-763 Computer Tech. (Trustees) (\$6,433.50 spent) Mrs. Place asked what this line is for.

Mr. Capello said this line represents the cost for bringing the new computer server in-house that was expended from the Future Technology Capital Reserve Fund (CRF).

Mr. Henry noted that this CRF is funded by a tax (franchise fee) on the TDS (cable TV) subscribers' bills.

Page 11, Line 01-4520-10-140 Parks & Rec. Overtime (\$1 budgeted, \$82.13 spent) Ms. Tanner asked for an explanation of why the Balance Remaining column shows an over expenditure of \$81.13 and the Percent Left is (8113.00) for this line.

Mr. Capello said they ended up paying overtime and that percentage is "obnoxiously high" because we didn't budget anything for it. So you end up with a high percent but the total cost was \$81.13 he said.

**Rec. Dept. Answers-** Chairman Connolly said that the members received Rec. Director Rick Conway's answers to the committee's question about why the Rec. Dept's revenues YTD are so much higher than last year at this time and asked if there were any questions about his response.

There were no questions or comments on Mr. Conway's response.

**Building Inspector SRF** -Mr. Capello then answered a question previously posed by Mr. Henry regarding the Special Revenue Fund (SRF) for the Building Inspector. He said it will vary from year to year whether more money can be expended from the fund for other related expenses and gave the example of at the end of 2015 there was \$17,300 left in the SRF and at the end of 2018 there was \$20,536 in it. It's a tough variable to predict depending on the economy and other factors he said.

Mr. Henry said he would like to see the Selectmen expand the flexibility of that fund so it can be used for other costs in that dept. and that he was aware that it would take a warrant article on the Town Meeting Warrant to do so.

Mr. Capello asked Mr. Henry what other kinds of related costs should be paid from the SRF.

Mr. Henry said his vehicle and fuel costs, paper, pens and any other costs that dept incurs as the more it can be self funded the better. He asked if only the Building Inspector's salary can be paid from the SRF.

Mr. Capello said only the position's salary and benefits can be funded from the SRF right now.

Mr. Johnson said he would pass on Mr. Henry's suggestion to the rest of the Selectmen.

**Detail Statement of Accounts – General Ledger-** Ms. Mitchell asked if this report is something new.

Mr. Capello said this is the account details for the Building Inspector SRF (2015-2018) as previously requested by the committee.

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

Chairman Connolly said School Board Rep. Angie Cardinal and the 2 Alternate School Board Reps Linda McElhinney and Penny Morin were all unable to attend this meeting and asked if the committee still wished to review the School District budget reports or to table their review.

**Motion:** (E. Johnson, second Whitehouse) to table the review of the reports until next month;

**Discussion:** Mr. Henry suggested if any of the members have any questions regarding the reports that they forward them on.

Chairman Connolly asked the members to send any questions to her and then she would forward them to the School Board.

Mrs. Place said this would be the most efficient route to go and would keep them from getting bogged down at their next meeting now that it is getting close to end of the school year.

Ms. Mitchell asked if the members' questions were not going to be read out loud at a meeting and would just be handled by e-mail.

Mr. Henry said their questions should be read out loud at the meeting.

**Vote:** The motion passed 9-0.

Chairman Connolly said she would also include the questions on the agenda for the next meeting so the School Board Rep will be prepared to answer them.

**FAMEE Grant Update-** Mr. Henry said the SAU Superintendent Ruth Ellen Vaughn released an update on the program which could be found on the SAU 61 website. They made an appeal to the denial of the grant due to the late submission of the application which was denied. There is money that is being reallocated later this spring and there is a possibility of going after some more money as the Superintendent is looking into some other grants but it will not cover the entire program costs. As it sits right now, FAMEE is scheduled to end sometime in May he said. Mrs. Arcouette asked if they didn't have the money from the FAMEE grant they already received to run the program until the end of the school year.

Mr. Henry said he did not ask about the program end date and did not know if May is when the program normally ends.

Mr. Johnson said some grants don't match up with calendar or fiscal years.

Mrs. Place pulled up Mrs. Vaughn's letter on her cell phone and read that the FAMEE program will end on May 24 unless they are given permission to extend the program into June. She read that they have been told of the possibility of a second release of funding this spring and that Superintendent Vaughn is in the process of rewriting the grant and that she is also exploring additional grants and community partnerships for the purpose of funding some type of after school program in addition to after school tutoring that they may be able to do through Title VI funds although it may be more limited than the scope of the current program.

Mr. Henry said Mrs. Vaughn had previously talked to the committee about the Title VI grant funding being more flexible in its uses but it is only about \$10,000.

Mrs. Place added that Mrs. Vaughn included her phone number in the letter and stated that she could be reached Monday-Friday from 3 p.m. to 5 p.m. if anyone has any questions.

**School Audits** – Chairman Connolly said she did not receive an answer on the status of the school audits so she will ask that they provide a status update at the next meeting.

**7). Old Business:** None

**8). New Business:**

**MS 525** – Mr. Johnson said the Town's MS 525 was filed with the state on March 27 and there was an unexpended fund balance of approx. \$1.8 million.

**Town Audit** – Mr. Johnson said they are expecting to have the Town Audit completed in the next few weeks.

Ms. Mitchell asked if the committee will get a copy of the Town Audit or if there is somewhere where they can review it.

Mr. Capello said once it is completed there will be a link to it on the Town website.

Mr. Henry asked how the change in the fund balance compared to the previous year's fund balance.

Mr. Capello said the fund balance for the previous year was about \$1.4 million.

Mr. Johnson said it is about a \$300,000 increase according to the state but he would have to wait until the Auditor's closing report is received before providing any further details.

Mr. Henry asked if the audit would include a breakdown of the amount of cash vs. receivables.

Mr. Johnson said there aren't specific line items for that but that they could ask the auditor for that information. He recalled the auditor saying there is about \$400,000 in cash available.

Mr. Capello said the auditor has recommended not using any more than \$300,000 of fund balance to fund items in the Capital Improvement Plan or to pay down the tax rate in Dec. He said he could get the breakdown of the receivables and the actual cash amount from the auditor once the audit is done.

Mr. Henry said he would like to keep an eye on the amount of receivables and that a \$1.8 million unexpended fund balance is great but it is not so great if \$1.6 million of it is receivables. Mr. Johnson said the auditor has to consider how much is spent each month so there is enough in the account for each month's expenses especially for the "heavy hitting" month of April when there is a huge cash outlay to pay the Town's bills (county, dispatch, schools, etc.). Mr. Henry said because of the unexpended fund balance the Town can go over its budget. Mr. Capello disagreed and said it is only for emergencies such as if the roof blew off the Municipal Office Building they could petition the Dept. of Revenue Administration to spend the fund balance to replace the roof. We cannot use it for any kind operational expenses he said. Mr. Johnson said the fund balance is last year's money and it can only be released at Town Meeting by warrant article or used to lower the tax rate by decision of the Board of Selectmen.

**Primex Certification** – Mr. Capello said the Town is now part of the Primex Prime Program which will save the Town approx. \$7,000 in insurance costs. The amount of savings will fluctuate yearly depending on the insurance premiums he said.

**9). Next Meeting:** Wednesday, May 22, 2019 at 7 p.m.

**10). Adjournment:**

**Motion:** (Arcouette, second N. Johnson) to adjourn the meeting passed 9-0 at 7:40 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

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Jodi Connolly, Chairman