

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

Committee Members Present:

Jodi Connolly, Chairman
Stephen Henry, Vice Chairman
Sylvia Arcouette, Secretary

Neil Johnson, Selectmen's Rep.
Linda McElhinney, School Board Rep.
Elizabeth Johnson
Samantha Place
Joshua Whitehouse

Committee Members Absent:

Jeremy Squires, excused
Jason Lauze
Heidi Mitchell

Others Present:

Arthur Capello, Town Administrator
Blanche Tanner

1). Call to Order:

Chairman Connolly called the meeting to order at 7:05 p.m.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Public Comment:

Resident Blanche Tanner said she had a number of questions for the committee and asked if she should wait until the individual budgets are reviewed to ask them.
Chairman Connolly said she would be given time to ask them during the review of each report.
Ms. Tanner asked if she should follow this procedure at future committee meetings.
Chairman Connolly said they will see how it goes at each meeting.

4). Review Minutes:

June 26, 2019 – No errors or omissions

Motion: (N. Johnson, second E. Johnson) to accept the minutes as written passed 5-0-3
(Arcouette, McElhinney, Place abstained).

5). Review Town Reports:

Actual & Budgeted Expenses & Encumbrance Report (June 2019) - Mrs. Place asked what was going on with the telephone lines in the dept budgets.

Mr. Capello said the Town switched from Bay Ring to Consolidated Communications and there has been some confusion during the transfer. He said they are working with Consolidated and they expect to get some rebates from Bay Ring because they didn't stop service on some things. Mrs. Place asked if there was some double billing going on because almost every line is completely spent or over budget.

Mr. Capello said they have had several meetings to try to get this figured out.

Page 1, Line 01-4140-20-110 Part-Time Clerks- Ms. Tanner asked what the part-time clerks do.

Mr. Capello said they work in the Town Clerk's Office.

Page 4 & 5, Police & Fire Depts. - Ms. Tanner asked what these depts. do for general Secretarial help.

Mr. Capello said the Police Dept. has a full time Secretary who is included in the Police Dept. Personnel line (Page 4, Line 01-4210-10110) and the Fire Dept. does not have a full time Secretary and the only full time person there is the Fire Chief. They divvy up those responsibilities among the dept. Officers he said.

Page 1, Line 01-4140-10-620 Repair/Rebind Old Records – Mrs. Place said Town Clerk Kathy Seaver usually repairs/rebinds 1 or 2 books a year and asked if she is still planning on doing this. Mr. Capello said he just signed off on an invoice for this. He said she also received a \$10,000 grant this year so they may be able to get a few additional books done.

Page 7, Line 01-4311-10-140 Highway Overtime (\$30,000 budgeted, \$26,806 spent) – Mr. Whitehouse asked about the expenses for this line.

Mr. Capello said the dept. overtime budget got “killed” during the winter season and that the line will probably be over spent depending on how bad Oct., Nov. and Dec. are this year. There is very little overtime in the summer time he said.

Remittance Report (01/01/2019 – 06/30/2019) – There were no questions about this report.

Actual & Anticipated Revenues Report-Parks & Rec. and the **Actual & Budgeted Expenses & Encumbrance Report – Parks & Rec. (June 2019)** –

Grants-Line 04-3409-60 (Revenues) and Line 04-4589-20-990- (Expenses) - Mrs. Arcouette said that on a lot of these reports she sees that there is zero in the Grants lines and asked if the Rec. Director searches and applies for grants or if there are no grants available.

Mr. Capello said the Director does search and apply for grants but whether we get them is another matter. He said the grants tend to go to the bigger communities across the board not just with the Rec. Dept.

Mrs. Place asked if this was a new line item suggested by the Budget Committee.

Mr. Capello said this is something the committee asked for this past year and although we applied for grants, like the Scott packs and the new fire engine for the Fire Dept. the grants tend to go to the big cities like New York and Boston.

Revenues Report, Line 04-3409-50, School Year Programs (budgeted \$76,000, balance uncollected \$23,977) - Ms. Tanner asked if the balance uncollected would be collected and how this works.

Mr. Capello said this line is for the after school child care and that the dept. will start receiving the funds once school starts. The line goes through Dec. as the Town is on a Jan. through Dec. budget and when school starts back up in Aug/Sept. the funds will start coming in again he said.

Line 04-3409-54 (Revenues) and Line 04-4589-14-990 (Expenses) Various Programs – Ms.

Tanner asked for an example of one of these programs.

Members/Mr. Capello said this would include events such as the Easter Egg Hunt, Family Night at Fernald Park and the Wayne from Maine show at the park.

Actual & Anticipated Revenues Report (June 2019) – Mr. Capello said the revenues are on track and they should bring in a little more for motor vehicle registrations which is good because he is uncertain whether or not the Town will receive the anticipated revenue from the solar energy company due to hold-ups with the DES permitting for the solar arrays.

Mr. Henry said he has heard people say the project is not happening.

Mr. Capello said the project will happen but he did not know if the Town would realize any revenue from it this year. We've met with them several times and the financing, the permits and the agreement with the electric company are in place and the equipment and materials will be brought on site in Aug. or Sept. Their goal is to try to get it done this year otherwise they will have to apply for an extension for the tax credits for the investors and the value of the credits is dropping next year he said.

Mr. Johnson said he believes the credits drop to 19% next year and then continue to drop over the next 3 years. That doesn't affect the Town but does affect them so that is why they are pushing to get it done he said.

Mr. Capello said discussions are on-going concerning potentially starting the Payment in Lieu of Taxes (PILOT) payments for the Town landfill site before the arrays are built because it is a revenue issue for the Town.

Mr. Henry asked if it is still the same firm managing the projects on the Town owned and the 2 privately owned properties.

Mr. Capello said the same firm Blue Planet Funding is in charge of all 3 projects.

Mrs. Place asked if the company managing the projects has changed during this process.

Mr. Capello said the company handling it has changed 3 times. The original company was NH Solar Garden, then a mid-west gas company bought it and Blue Planet Funding is now the development company owner he said.

Page 3, Line 01-3353-10 Highway Block Grants – Ms. Tanner said there is a lot of discussion about the town's roads and asked if there are any grants available for road improvements.

Mr. Capello said they are not aware of any such grants and asked her to tell him if she knew of any and they would gladly apply for it.

Ms. Tanner said she was just curious.

Page 5, Line 01-3506-61 Primex Workers' Comp Refund (\$51,060) - Ms. McElhinney asked where these funds would be deposited and if they were earmarked for anything special.

Mr. Capello said it goes into the general fund.

6). Review School Reports:

YTD Expenditure Report- Grants Special Rev Funds (7/1/2018-6/30/2019)- Ms. McElhinney said the School Board has not been notified of anything significant in the grants portion. She said she would look into any specific questions the members may have on this report. There were no questions on this report.

All Funds – Revenue Report (7/1/2018-6/30/2019) - Ms. McElhinney said she did not have an overview on this report and asked if the members had any questions.

Mrs. Place asked if they have received all of the revenues that were expected and if anything is being held up at this time.

Ms. McElhinney said they are still waiting on a few payments but things should be tied up by the time they close the books.

Mrs. Place asked if the books have been closed for the school year yet.

Ms. McElhinney said they have not closed the books as of yet.

Mrs. Place asked if the books are usually closed by now.

Ms. McElhinney said that typically they are but they have a new Business Administrator and there has been a lot going on.

Mr. Johnson said that it usually takes a few more weeks before they actually get the books closed because some companies take 4-6 weeks for invoicing and it is usually the middle of August is when they have the books closed as far as having received all of the bills and invoices.

General Fund 10 YTD Expenditure Report (7/1/2018-6/30/2019) – Ms. McElhinney said they are still showing negative balances in the lines purposely to keep them as a tracking guide and that they have a list of where they are going to reallocate the funds from. The Special Ed Dept. and some of the facilities lines will definitely be over but we've already earmarked funds that will compensate for that she said.

Chairman Connolly asked for a list of where the funds will be moved from and to.

Ms. McElhinney said she could provide the list for the committee and asked if they wanted an overview for each section or specific to each line.

Mr. Henry said if the School Board is already creating a list that list would be sufficient for the committee. He said he went to the end of the report (Page 33) to look at the amount remaining (\$750,872.29) and asked how close to the actual number that amount is.

Ms. McElhinney said they don't even have a ballpark figure yet. She said the Business Administrator is still deep into closing the books and there are still a few things that they don't even have dollar figures for at his time. I'll have a better idea by the next meeting she said.

Page 9, Line 241 Salaries Athletic Director – Ms. Tanner asked why the Athletic Director's salary was increased (revised budget \$39,487, reported period \$46,529).

Ms. McElhinney said she did not know.

Mrs. Place said the Athletic Director had a split role (Asst. Principal/Athletic Director).

Mr. Henry said that is quite a raise if this line only reflects half of it.

Ms. McElhinney recalled that the increase was budgeted and that the Business Administrator was trying to reduce the number of lines by combining some of them so this amount may reflect the total for both positions. She said that she would look into it.

Page 13, Line 330 Salaries, Nurse VV (Valley View) - Ms. Tanner asked if the nurse got a \$10,000 increase (\$40,029 to \$50,672) or if a different person was hired for the position.

Ms. McElhinney said a different person was hired for the position and that she would look into it.

Page 19, Line 498, Contracted Services SAU (revised budget \$0, reported period \$29,363) – Ms. Tanner asked what kind of contracted services were provided.

Ms. McElhinney said there are several things that could fall under this line and considering that they are down a few people in the administration and the Business Administrator was brand new they subcontracted some services from other agencies to help out.

Mr. Whitehouse asked if Municipal Resources, Inc. (MRI) is included in this line.

Ms. McElhinney said MRI might fall under this line but she was not sure.

Mr. Henry said they have been hiring MRI for multiple functions.

Ms. McElhinney agreed that they have.

Page 27, Line 711, Utilities, Electricity VV (revised budget \$37,945, reported period \$53,009) & Line 713, Utilities, Electricity FHS (revised budget \$52,862, reported period \$67,767) – Ms.

Tanner asked if there were some improvements that needed to be made to the electrical systems at the 2 schools.

Ms. McElhinney said they have been doing improvements at the schools but she would have to find out why the dollar amounts are so different.

Mr. Johnson said that a few months ago former School Board Rep. Angie Cardinal explained that since this budget is developed almost a year and a half before it is actually expended that Eversource had a major rate increase and that when the budget was set they were hopeful that it was going to stay relatively low.

Lines 719 – 724 Heating Oil - Ms. Tanner asked if the SAU planned to contact the Town to see if there is any chance of working together (to purchase heating oil at a volume discount).

Ms. McElhinney said they heard back from the Town 2 days ago and it won't be possible this coming heating season.

Mr. Johnson said that is correct.

Page 29, Line 758 Transportation, Homeless (revised budget \$1,300, reported period \$8,007) –

Ms. Tanner said she realized the district has to provide transportation for homeless kids and asked whether they use a car or a bus.

Ms. McElhinney said a van is used to transport the homeless students and they try to be economical as possible.

School Lunch Accounts - Ms. Tanner asked how the district handles families who do not pay for

their children's school lunches and if there is a policy regarding this issue.

Ms. McElhinney said there is a protocol and they send out letters and e-mails to the parents.

Ms. Tanner asked if the parents are threatened in any way.

Ms. McElhinney said no and that the parents receive a form letter. She added that they contact the parents only and do a good job of not mentioning it to the children.

Mrs. Place said they probably don't mention it to the younger kids but at the junior high level her son is the first one to tell her when his lunch account is negative. She said the system sends out an e-mail to inform the parent the funds are low and you can add funds to the account online. She said she once got a letter because they owed \$4.

Mr. Henry then followed up on some of Ms. Tanner's questions and asked why the school and Town can't work together on purchasing heating oil.

Mr. Johnson said it is because it wouldn't change the rates charged by the supplier. He said they had the opportunity to do it now and they went with it because of the confusion that transpired last year. We got the library involved and got a fixed rate for the next year he said.

Mr. Henry said he found the line for the Asst. Principal's salary on Page 20, Line 509 (revised budget \$39,487, reported period \$46,529 which is the same as Page 9, Line 241 discussed earlier) and that if that was a raise it was a "healthy" raise.

Ms. McElhinney said she would check with the Business Administrator about this item.

Chairman Connolly said it is looking the same way for the other Principal and Asst. Principal lines.

Mrs. Place said if you compare last year's budget for the Asst. Principal/Dean line (509) to this year's budget it is about half the cost. She did have a shared role and I think they just split her salary she said.

Mr. Henry said the increase is same on both lines so it wasn't stacked all onto one line. He asked if the School Board has discussed that position and if it is going to stay the same or if it would depend on the candidates.

Ms. McElhinney said this coming week they will be conducting the interviews for the positions and the post that went out showed it as a combined position. Whether we will get anyone that fits both positions has yet to be determined. We may have to go back and repost it as 2 separate positions she said.

Mr. Henry said the person that was there was skilled in both areas.

Ms. McElhinney agreed and said they created the position for her and that it would be tough to fill her shoes.

Mr. Whitehouse said previously there was discussion about a NH Dept. of Environmental Services (DES) mandate about an oil reservoir and asked if there was an update on this matter.

Ms. McElhinney said they are having the oil tank replaced and they just got the bids at the last School Board meeting.

Mr. Whitehouse asked for the cost to replace the tank.

Mr. Henry said he was at that meeting and the bid awarded was for approx. \$14,000. He said the original estimate was closer to \$25,000.

He said after the meeting he spoke with the Facilities Director to find out what a “day tank” was and learned that it is a 10 gallon holding tank that is inside the building. Fuel is pumped from the 10,000 gallon underground tank into the holding tank and then pumped to the boiler. The pump that pumps it to the holding tank is a heavier duty pump and then a regular type pump injects it to the boiler he said.

Chairman Connolly asked if they are getting rid of the indoor tank.

Mr. Henry said no and that the style of the tank will be changed to a 5 gallon indoor tank and the way it is piped from the underground tank is through a sealed system instead of the current vented system. There is a lot of the piping that needs to be changed and some new piping may need to be run but the basic operation of having a small holding tank in the building remains he said.

Mr. Whitehouse asked if there would be a significant change in the environmental impact with the new system.

Mr. Henry said the Facilities Director explained that the NHDES has no jurisdiction over the day tank inside the building but then somehow it became a fire code issue and the state has jurisdiction over the fire codes and therefore over the day tank. He said there has been some push back and suits from other school districts that had recently paid significant amounts of money to make changes to their systems to then be told they had to be changed again and that the system in Valley View had been changed not long ago.

Mrs. Connolly asked why they went with the 5 gallon instead of a 10 gallon tank.

Mr. Henry said it was because the 5 gallon tank is part of the current approved system that can be put in.

Ms. McElhinney then read that the School Board awarded the bid to Lakes Region Environmental and that their bid was for \$14,125.

7). Old Business:

Chairman Connolly said she e-mailed Mr. Capello’s response to Mrs. Cardinal’s question about the taxes paid by the Town to the School District to the members on 6/28/19.

Some members said they did not receive the e-mail so Mrs. Connolly read aloud the following: ‘The reason the school payment does not appear on the budget sheet is because it is accounted for on the trial balance sheet. Pam (Finance Administrator Pam Merrill) will hand write it on the sheets each month’.

Chairman Connolly asked the members to reconfirm their e-mail addresses with her after this meeting and that she would resend Mr. Capello’s e-mail to them.

8). New Business: None

9). Next Meeting: Wednesday, Aug. 28, 2019 at 7 p.m.

10). Adjournment:

Motion: (N. Johnson, second Arcouette) to adjourn the meeting passed unanimously at 7:35 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

Jodi Connolly, Chairman