

Town of Farmington  
Budget Committee Meeting Minutes  
Wednesday, October 23, 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  
Jason Lauze  
Heidi Mitchell  
Jeremy Squires  
Joshua Whitehouse

**Committee Members Absent:**

Samantha Place

**Others Present:**

Ruth Ellen Vaughn, SAU Superintendent  
Bruce Bridges  
Blanche Tanner

**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 said she had some questions about last month's School District Contracted Services Report and asked when she should ask them.  
Chairman Connolly asked that she wait until the Old Business portion of the agenda.

**4). Review of Minutes:**

September 25, 2019 – No errors or omissions

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

**5). Review Town Reports:**

Mr. Johnson reviewed the reports with the members in Mr. Capello's absence. He said if there were questions he couldn't answer he would get the answers to them following the meeting.

**Remittance Report (09/01/19 – 09/30/19)** – There were no questions or comments on this report.

**Actual & Anticipated Revenues Report- General Fund (September 2019)** – Mr. Johnson said that on Monday the Selectmen accepted \$159,034.20 as unanticipated revenue from the state's biannual budget as the first of 2 such payments to the Town. The money was accepted and deposited into the budget for this year he said.

Mrs. Connolly asked if the board knows what they plan to do with the money.

Mr. Johnson said Selectmen voted unanimously on Monday to apply it toward lowering the tax rate. He said the new tax rate has not been set yet but based on the current tax rate it would probably result in about a 33 cent reduction in the Town taxes.

**Detail Statement of Accounts – General Ledger (Sept. 2019)** - Mrs. Connolly asked what this report is for.

Mrs. Johnson said it represents the money paid by the Town to the School District.

**Actual & Budgeted Expenses & Encumbrance Report- Parks & Rec. (Sept. 2019)** – Mr. Henry said the Summer Program line is over spent by quite a bit (\$24,498 budgeted, \$33,125 spent) and asked if this was due to more participation than expected and if there is revenue to offset the expenditures.

Mr. Johnson said he would have to get an answer for Mr. Henry but he knew that they had more participation and maxed out the available seats due to absence of the FAMEE program. He estimated there were between 49-59 participants in the summer program this year.

**Actual & Budgeted Expenses & Encumbrance Report- General Fund (Sept. 2019)** -

**Page 4, Line 01-4194-10-630, Supplies-Town Bldgs** – Mr. Whitehouse asked why this line is overspent by \$1,007 (\$5,000 budgeted, \$6,007 spent).

Mr. Johnson said that Mr. Capello had mentioned this issue at the previous meeting but he did not recall his answer and would get an answer for the committee.

**Line 01-4210-10-341, Police Dept. Telephone** – Mr. Henry asked about the over expenditure of this line (\$6,000 budgeted, \$10,158 spent).

Mr. Johnson said they are still working on this issue and explained that when the Town severed its connection with First Light they continued to bill the Town. There was a conversion over to Consolidated Communications to combine the phone systems and they messed it up. We are waiting for refunds from the company to offset those expenses he said.

Superintendent Ruth Ellen Vaughn said the School District has had similar experiences with the telephone companies and advised them not to hold their breath while waiting for rebates.

Mr. Johnson said the Town has been dealing with this issue for months and not only for the Police Dept. but across the board for the telephone budgets.

Mrs. Vaughn said they were issued credits for the over expenditures for their systems and they were a long time coming.

**Actual & Anticipated Revenues Report – Parks & Rec. (Sept. 2019)** – Mrs. Connolly said there is an uncollected balance (\$9,219) for the Summer Program and asked if the uncollected amount is from people who haven't paid for their child's participation in the program.

Mr. Johnson said this is accounting for the rest of the year as there are other programs such as other after school programs that haven't been paid yet.

Mr. Henry said the uncollected amount is shown as a negative amount which means they collected more than they budgeted (\$30,000) and have received \$39,000 in revenue so far.

Mr. Johnson said the revenues would probably continue to go up slightly but it won't be anywhere close to the amount of increase as during the summer.

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

**Questions from Last Month** -Mr. Johnson requested that before they begin the review of School District reports that they read the responses to the questions from the 9/25/19 meeting. Chairman Connolly agreed to his request and said that she sent all of the members a copy of the e-mail that Ms. McElhinney sent her with the answers to their questions regarding the School District budget. She asked Ms. McElhinney to go over her answers with the committee.

**Teacher Turnover** -Mr. Henry said he got an answer to his question about the turnover for all district employees (just under 15%) but that he was looking for an answer for people specifically covered by the teachers' CBA (Collective Bargaining Agreement).

**Food Service** – Mr. Henry said they received an estimated per meal cost of \$3.51 and that students are charged \$2.85 but that there are other revenues that the consumer doesn't see that brings the total revenue for the meal up to \$3.39. He said it looks like that between the teachers and the taxpayers the lunches are being subsidized by about 20 cents each for a full price lunch. The teachers are being charged \$4 for a meal that costs \$3.51 so they're subsidizing the program and the taxpayers are picking up the rest he said.

Ms. McElhinney read the last line of the paragraph where Fresh Picks Café's Frank Gillespie stated that they are charging adults \$4 demonstrating that not only are they following the pricing formula recommended by NH Bureau of Nutrition but are pricing adult meals well above the range where they might be considered to be subsidized.

Mr. Henry said that the teachers are subsidizing the student meals because they are paying more than the meals cost.

Ms. Mitchell asked if the adults are getting more food in the adult meals.

Mr. Henry said his understanding was that they are not getting more food in their meals and are getting the same meals the students are getting. He said he is seeing total revenue on a full priced student's meal of \$3.39 with a meal cost of \$3.51 so there is a 10 cent subsidy being picked up by the teachers and the taxpayers. The actual meal cost and the revenue is the number I wanted to get to he said.

Mrs. Vaughn said she did not have that information with her but that she knew that they have also played with the formula and that she would have to take a look at it.

Mr. Henry said he thought the net revenue on the free and reduced lunches is more with the free lunch having the most revenue and the reduced cost lunches somewhere in the middle of the revenues received. He asked given that the meal costs \$3.51 if the plan was to still tell the employees they are going to pay 50 cents more.

Ms. McElhinney said that is the plan at this time and that they haven't had a chance to revisit it at the School Board level.

Mr. Henry said his understanding is that the lunch program is supposed to run not at a profit

and not at a loss.

Ms. Tanner said she was not opposed to paying a little extra in taxes to subsidize school lunches for our kids and teachers. The salaries for the teachers are not high enough and the kids and the parents need a little extra help so I am not opposed to that as a community member, taxpayer and former teacher to paying a few extra cents she said.

Mr. Henry said he didn't necessarily have an issue with subsidizing a little bit with our taxes but that he needed to know how much we are subsidizing them. No one knew if it was a dollar or a dime and I have different feelings on the 2 amounts he said.

He said that for the record he asked his wife (who is a teacher) and she does not eat the lunches at the school so this has no bearing on her.

**MRI Contracted Services** – Mrs. Arcouette said she asked for the specifics on the spending for **Municipal Resources Inc.** and the response was that all of the spending for MRI was for interim **Business Administrator (BA)** services and consulting to complete the tax forms for the district. She said there was also a lot of money spent for contractual services from the School Board and that she had asked for details on where the money that was spent for MRI went.

Mrs. Arcouette also asked how long the interim BA services were needed and said that she thought that a BA was hired this year.

Mrs. Vaughn said they hired a BA in Feb.2019 and that she didn't have the specifics with her.

Mrs. Arcouette then asked why there was so much money spent for BA services and how long the district was without a BA.

Mrs. Vaughn said they were without a BA for the entire budget season as the new BA came in Feb. She said the MRI consultant was there as needed to help with the tax forms, to consult with her through the budget season, helped to complete the 2018 audit and helped her to get the 2018 and 2019 school years closed out because she was there for the 2 pieces as they transitioned between Auditors and BA's.

**Difference in Revenue** -Mrs. Johnson said that her question from last month about why the revenue lines were different for July still hasn't been answered.

Ms. McElhinney said she didn't get that answer yet and that she didn't pose the question to the SAU. She said she did ask the first time it was asked and got one answer but needed more information.

Mrs. Vaughn asked Mrs. Johnson which line she was referring to.

Mrs. Johnson said there are quite a few budget lines involved.

Ms. McElhinney said it was mainly a discrepancy between full columns in the report (in the Expenditure Report the current period and reported period columns should be identical for the month of July).

Mrs. Vaughn asked Ms. McElhinney to bring that back to her and she would get an answer for the committee.

**BCBA Position**- Mr. Henry said there is \$110,000 line in the budget for **Board Certified Behavior**

Analyst services and that he had asked for the full time equivalent for this position. He said for the benefit of the viewers that don't have a copy of the e-mail responses that the answer is that this line accounts for 1.5 positions.

Mr. Whitehouse asked that the answers be submitted with the meeting minutes.

**Food Service Revisited-** Mr. Johnson said that this paragraph says the paid price per student meal is \$2.85 and in the example given below the paragraph it says the paid student price per meal is \$2.75 and asked which price is right.

Mrs. Vaughn said the paid price per student meal is \$2.85 and that the School Board voted to raise the price from \$2.75 at the beginning of the school year.

Mr. Henry said that means the revenue and the price for each meal is about the same so they are still charging the teachers too much.

Mr. Johnson said that a question was asked about the number of free, reduced, full and adult lunches that were served last year and that the response stated she would send along a chart with the counts for all lunches for the 2018-19 school year but they did not receive the chart.

Ms. McElhinney said she forgot to attach it to the e-mail and that she did not have it with her.

Mr. Henry said his purpose for asking this question was so he could do the math himself to get to the meal cost if the food service provider didn't have the answer and that he was no longer concerned with the chart.

Ms. McElhinney said she would still send it along to the members.

**YTD Expenditure Report-Grants Special Revenue Funds- (7/1/19-6/30/20)** – Mr. Henry asked if there was anything exciting the committee should know about.

Ms. McElhinney said there are issues to discuss under New Business.

There were no other questions or comments on this report.

**All Funds-Revenue Report (7/1/19-6/30/20)** – There were no questions or comments on this report.

**General Fund 10 YTD Expenditure Report (7/1/19-6/30/20)** – Mrs. Arcouette said that there are contracted maintenance/repair services lines in the report and asked if the district's custodians do any of the maintenance/repair work.

Mrs. Vaughn said the district has 2 maintenance people and other custodians. The maintenance people do a lot of the repair work but there are some things that they contract out such as the electrical work and large jobs that need more than 2 people to get it done she said.

Mrs. Connolly asked if any of those types of big jobs have come up lately.

Mrs. Vaughn said there was some rewiring needed in conjunction with changing the gym's sound system and other electrical jobs which is not something that the maintenance guys do.

Mr. Henry said the maintenance people are not licensed electricians or plumbers.

Mrs. Vaughn said that is correct.

**Page 6, Lines 168-170, Tuition, SPED, Private, VV, HW & FHS** – Ms. Tanner asked if the expenditures shown are per student (VV-\$4,508; HW-\$160,304 last year).

Mrs. Vaughn said the figures are for more than 1 student but that she did not have the last board report with her and did not want to guess at the student numbers. The majority of our students that are placed out of district are placed in a private school that deals with what they need dealt with she said.

She then borrowed Ms. McElhinney's copy of the board report and said the total number of out of district students is 14 with 3 of them court-placed. They are interspersed through those 3 lines (in Expenditure Report) she said.

Mrs. Connolly asked if there were some unanticipated placements as she noticed that one of the lines was overspent.

Mrs. Vaughn said there are always unanticipated placements as it is the "nature of the beast". She said that is why they tapped the Special Education Trust Fund last year and that these budget lines are being over tapped. I don't get to stand at the border and say please don't move here. We welcome them, we educate them and we pay for it she said.

Mrs. Connolly asked what type of proof is needed to show students live in the district and if it is confirmed yearly.

Mrs. Vaughn said there is an Affidavit of Residency they must fill out when they register and it must be a bill in their name such as a utility bill, lease agreement or mortgage payment that shows they are tied to that property. There are a number of different documents that are accepted and if someone is doubled-up or homeless that is dealt with under federal law and I can't keep somebody from registering if they are homeless she said.

She said residency is checked at registration and if they get flags that maybe it's an issue. They don't have to resubmit on a particular basis or at any grade level. There have been some suggestions that maybe we need to go there but at this point we haven't she said.

Mr. Henry asked for the definition of "doubled-up".

Mrs. Vaughn said that it means that a family who doesn't have their own housing is living with another family.

Mrs. Arcouette asked about the **School Resource Officer** being listed as a contracted position.

Mrs. Vaughn said the SRO is a contracted service and that is why they have the **Memorandum of Understanding (MOU)** with the Police Dept. She said the position is paid through a 4 year grant but they don't get paid for year 4. The first year the grant pays about 75% of the SRO's salary with the remainder of the salary paid by Town and by the School District. The second year the grant pays 50%, the third year it goes down to 25% and the 4<sup>th</sup> year we have to pay in full or we have to repay the other 3 years which we don't want to do she said.

She said the Police Officer works for the Police Dept. and is contracted with the School. We pay 80% of the salary and benefits because for about 80% of the year their weekly shift hours belongs to the School and during the summer they belong to the Police Dept. They work for the Police Dept. and are part of the Police union and that is why it is a contracted service with the Town she said.

Mr. Henry asked if the rate the School District pays is based on the Officer's rate.

Mrs. Vaughn said that is correct.

Page 18, Line 460, Salary, Director Curriculum – Mr. Whitehouse asked why this line is overspent by \$9,301.

Ms. McElhinney said it is because they hired a new Curriculum Director with different experience who was hired at a different rate.

Page 18, Line 477, Contracted Services, SAU – Mr. Whitehouse said this line is overspent by \$2,101.

Mrs. Connolly added that the Contracted Services, SAU line on the next page (Page 19, Line 478) is overspent by \$9,408.

Mrs. Vaughn said that it possibly could be for MRI but she didn't have those figures and would have to take a look at this.

## **7). Old Business:**

**Deliberative Session**- Mrs. Connolly said the committee set the dates for the budget season calendar at the previous meeting and asked if the Annual School District Meeting Deliberative Session was still scheduled for Saturday, Feb. 1 with a snow date of Saturday, Feb. 8.

Ms. McElhinney said that is correct.

**Late Reports** – Mr. Johnson said the School budget reports have been late getting to the committee for the last 2 months and asked what could be done so that they could have the reports in their packets to review over the weekend.

Ms. McElhinney said that the reports were included in the School Board packets but she has only had a phone for the last few weeks. She said she would try to get the reports submitted to the committee more quickly.

**Ms. Tanner's Questions** - from the Contracted Services Report received at the 9/25/19 Bud Com meeting:

Page 1, Line 10-1200-53308-00-20-00000, Contracted Services – She said \$10,000 was budgeted for this line which is only identified as Contracted Services and asked what it is for.

Page 1, Line 10-1200-53308-12-20-00000, Contracted Services, HW – Ms. Tanner said this line is budgeted at \$4,000 and asked for the purpose of this line.

Page 2, Line 10-2160-53301-00-20-00000, Contracted Services, Physical Therapy (\$31,720 budgeted) - Ms. Tanner asked if this is the salary line for a Physical Therapist.

Mrs. Vaughn said this is contracted service for a Physical Therapist who is working with a student who needs something beyond what we have in district and is not a full time position. She said a contracted service cannot be provided by a district employee and they are 2 separate categories.

Page 3, Line 10-2530-53201-00-00-00000, Technology Hosted, SAU (\$11,000 budgeted) - Ms. Tanner asked what this line is for.

Page 4, Line 10-2620-54220-00-66-00000, Snow Removal (\$50,500 budgeted) – Ms. Tanner



asked if the snow removal contract goes out to bid every year.

Mr. Johnson said these questions should be asked of the School Board and they have nothing to do with the Budget Committee.

Ms. Tanner said she thought of that but she got this report at a Bud Com meeting and that is why she is asking the questions at this meeting. She said she wasn't sure which meeting was appropriate for her questions and then decided to ask them at the next School Board meeting.

**Unexpended Fund Balance** -Mrs. Johnson asked as of right this very second how much money the School District is looking to turn back to the town.

Both Mrs. Vaughn and Ms. McElhinney said they did not have the exact figure with them.

Mrs. Vaughn said they were meeting with the Auditors one more time the next day.

Chairman Connolly asked to have the exact figure e-mailed to her.

Mr. Johnson said that last month Ms. McElhinney said that approx. \$900,000 was being returned to the town.

Ms. McElhinney said that was the approximate amount at that time and was the number that they were given.

Mrs. Vaughn said at that point that was not what was necessarily being returned to the town but was the amount in the unexpended fund balance and there are pieces that go to warrant articles and other expenses so that is not a firm number. She said she hoped to have a firm number by the end of this week.

Mr. Henry said the amount of money that the district is able to retain also comes out of the \$900,000.

Ms. Mitchell asked if this was the appropriate place to ask how much money the School District is getting (from the excess state funds).

Mrs. Vaughn said that discussion is coming up under New Business and is the reason she attended this meeting.

**Budget Season Calendar** – Mrs. Connolly said she e-mailed all of the dates to the committee and asked Mr. Lauze and Mr. Squires, who were not present at the last meeting, if they had any questions about the schedule.

Mr. Lauze and Mr. Squires had no questions about the calendar.

Mrs. Connolly said she highlighted all of the dates with regard to the School District in yellow and everything having to do with the Town in pink so the members would know what they were dealing with when they come to that meeting.

She said that on Nov. 20 they would like to have the School District proposed budget and warrant articles submitted to the Budget Committee. The regular monthly Bud Com meeting will be on that night as well (due to Thanksgiving) she said.

Mr. Henry noted that is a week earlier than their usual monthly meeting night.

Mrs. Connolly said the School District budget presentation to the Bud Com would be on Dec. 4.

Ms. McElhinney asked if the list of the School dates she gave Mrs. Connolly corresponded with



the committee dates.

Mrs. Connolly said most of the dates corresponded between the 2 schedules with the exception of the Nov. Bud Com monthly meeting which was changed to Nov. 20.

Mrs. Vaughn asked for clarification of the 3 Dec. dates relating to the School District budget.

Mrs. Connolly explained that Dec. 4<sup>th</sup> is the School budget presentation to the Bud Com, Dec. 11<sup>th</sup> is the snow date for the presentation (if needed) and Dec. 18<sup>th</sup> is a workshop to discuss the School District budget and the regular monthly Bud Com meeting (due to Christmas).

**8). New Business:**

**Audit Committee-** Mrs. Johnson asked about the status of the Audit Committee as she sent an e-mail on Sept.20 and was told that the person would respond shortly. She said she sent a follow-up e-mail on Oct. 13 and included the School Board Chair and has not received an answer yet.

Mrs. Connolly asked what the Audit Committee would be doing.

Mrs. Vaughn said the Auditors recommended that the committee be comprised of members of the community and the School Board and they would look at the audit process. She said she has requested information from other districts to make sure that they are in line with what they need to be doing and has told the board they need to pull this together. She said she would include this item on the Nov. 4 School Board meeting agenda.

Mrs. Connolly asked how this would affect the audits being done from the last school year.

Mrs. Vaughn said it doesn't affect the audits and that the committee isn't charged with causing the audits to happen as that is the School Board's purview. The audit committee will review the audits and findings, look at the process and make sure that we are as transparent as possible because having finally gotten things done I want people to see that she said.

Mrs. Connolly asked if the audits from last year were done.

Mrs. Vaughn said they are just about done and that they are meeting with the Auditors one more time the next day and she is hoping at that point they can wrap things up and have a firm number. They were in last week and finished that portion more quickly than anticipated which was a good thing because they were able to get through it without a lot of questions she said.

Mr. Whitehouse asked if the meetings were public meetings.

Mrs. Vaughn said the meetings between the Auditors and the BA are not open to the public and the Audit Committee would be an open committee as far membership and minutes will be taken but she did not anticipate paying a cameraman to record the meetings.

Mrs. Connolly requested that when they e-mail her regarding the amount to be returned to the town from the unexpended fund balance that they include if the audits are done.

Mrs. Vaughn said she wanted to have a firm number to give to the committee so the audits would be done when the e-mail is sent to Mrs. Connolly.

**School Board Special Meeting Request** – Ms. McElhinney said the School Board is requesting permission to allow a special session or meeting to expend unanticipated Adequacy Aid that

they just received notice of.

Mrs. Vaughn said when additional funds are voted from the legislature they have a different procedure than the Town that they have to follow. She said the Adequacy Aid has been increased this year as part of the biannual budget and our increase for this year is \$620,702.08. She said that in order to expend those funds they need the Budget Committee's permission so she is bringing forward the options on the table to the committee and then it is incumbent upon them to decide what is in the best interests of the town.

Mrs. Vaughn said there is a very restrictive timeline they have to follow in order to expend these funds. First the School Board must decide that they want to do this and that was done on Monday night. Next it goes the Bud Com to decide if this is something they are willing to move forward with. If that's the case, the School Board then needs to vote to hold a special one session meeting for deliberative and voting and to specify one or more warrant articles with the amount of appropriations and what they will be spent for she said.

Mrs. Vaughn said if the Bud Com votes to approve the meeting request the earliest this could happen is next week. She said they would need to hold a Public Hearing which must be posted 7 days prior to the date of the hearing. When the hearing is closed 14 days later we could hold the special session that would be the deliberative session and voting together she said.

She said it will delay setting the tax rate for that to happen because whether these funds are used to reduce the tax rate or are expended within the general fund would be dependent upon the vote at that special session.

Mrs. Vaughn said one option to expend these funds would be to put it toward the performance contract to make energy efficiency improvements to the schools. She said the engineers agreed to do a study of everything that needs to be done district-wide at no cost to the district. After we get the engineering study done and if we say the scope of this is beyond us and we walk it's at no cost to the district she said.

She said the project would be cost out over a 17 year period and the energy savings gained will go to pay for those improvements over that time. If we could include these funds we could include larger projects such as the roof sections at Henry Wilson and the high school that need to be done. There have been no issues at Valley View but we are coming up on 20 years and we need to plan for that she said.

Mrs. Vaughn said the other option mentioned for this money is an access road to Valley View. She said that when she first became Superintendent she received a quote of \$750,000 for an access road and this is 4 years later so this (\$620,000) won't do it all. She said they may be able to encumber funds for the project and there is more funding promised for next year but she was not banking on it until she see the figures next summer because things change.

Mr. Johnson asked what the money was received for.

Mrs. Vaughn said this is Adequacy Aid and just like the Town got funds this is our chunk of the pot.

Mr. Johnson said that according to a newspaper article this is to help make up for previous cuts in Adequacy Aid.

Mr. Whitehouse said it was described by the House Speaker as an offset to property taxes.

Mr. Johnson asked what happens to the money if they say no to a special meeting.

Mrs. Vaughn said it would go into the unassigned fund balance to offset the tax rate.

Mr. Johnson said it will affect the tax rate supposedly being set in Dec. but it is looking more like Jan.

Mrs. Vaughn said the earliest the Public Hearing could be held is Nov. 19 and if the meeting was on that Sat., Nov. 23, the **Dept. of Revenue Administration (DRA)** would get a phone call Monday morning and the tax rate would be set a smidgen sooner than last year.

Mr. Johnson said they got lucky with the printer last year and they still have the Thanksgiving holiday to deal with which is later this year. The bills wouldn't be mailed until Jan. 2 or 3 so they would be running the same schedule as last year he said.

Mrs. Connolly asked if the Town would have to take out a **Tax Anticipation Note (TAN)** to cover the Town's expenses.

Mr. Johnson said they would have to look into it again and estimated that it would cost the Town between \$25,000 and \$40,000 in interest for the short term loan.

Ms. Mitchell asked if that is only if they want to cut a new road at Valley View.

Mr. Johnson said just having a special meeting would delay setting the tax rate.

Mrs. Connolly said this meeting would just be to approve spending the funds.

Mrs. Vaughn said the voters would also have to approve a warrant with a specific use for the money in order to expend the funds.

Mr. Johnson suggested the deliberative session portion of the special meeting would run from 9 a.m. to 10 a.m., any changes would have to be made to the ballot and then the ballots are printed. The vote would start by 11 a.m. by state law and would run the full day until at least 7 p.m. he said.

Ms. Mitchell asked if that was just because the state offered us this money or if it could be done the same way the Selectmen did it and just accept the funds.

Mr. Johnson said the school districts have a whole different set of rules.

Ms. Mitchell said that regardless of what they do, it will screw up setting the tax rate.

Mrs. Connolly said if they vote no they are saying they do not want the special meeting and we want this returned to the town.

Mr. Johnson said then it would go into their unassigned fund balance and would be returned to the taxpayers next year.

Ms. Mitchell said they give us this money but it puts us in a pickle because of when it comes.

Mrs. Connolly said they can choose not to put themselves in that pickle.

Mrs. Arcouette asked what the ideas would be for the warrant articles if they decide to hold a special meeting.

Mrs. Vaughn said the best guarantee would be with the performance contract because it would be fully expensed and is the biggest bang for the buck. I would love to say the access road because we need it desperately but it won't cover the whole thing and I don't think we could get it done with snow in the middle of it for several months she said.

Mr. Johnson asked Mrs. Vaughn if she was familiar with the decisions put out by the Planning Board and the Zoning Board of Adjustment regarding the access road several years ago. He said the original plan was to have the access road connect to a private road and the residents of that road were solidly against it.

Mrs. Vaughn said if she was considering an access road now she would want to cut another driveway down from Valley View to the back parking lot at FHS and go out past the water tank. I'm not looking to go to Blue Hills Terrace she said.

Mrs. Johnson asked if the School Board is already looking at going with the performance contract.

Mrs. Vaughn said they are looking at going with the performance contract and this would allow us to do more at once with one project.

Mrs. Johnson said if they were to say no it would not be the end of the world for the performance contract.

Mrs. Vaughn said it would not stop the performance contract but it reduces the scope of what they are going to be able to do for now.

Mr. Henry said he was at the last School Board meeting where this issue was presented and at first he looked at if they should go to the voters and ask them what they think. It was not about what we think should happen with the money but do we think we should put it to the voters. The fact that they would be looking at a TAN changes how I might feel on that where normally I say to trust the voters he said.

Mr. Henry said he liked what was said about the performance contract except that Mrs. Vaughn said do more rather than borrow less. He asked if they have to float a bond to pay the performance contract.

Mrs. Vaughn said they do not have to take out a bond and the performance contract is paid for from the savings they have from the energy reduction. That's why the scope is somewhat limited as we're not looking to borrow for this contract she said.

Mr. Johnson said it would be funded from the savings and from the maintenance funds.

Mrs. Vaughn said they will guarantee us so much in savings and if we get more than that we would see those savings. If we don't get that much they will "eat" it. These funds would allow us to expand the scope of the project and doesn't change what we would borrow she said.

Mr. Henry asked who fronts the money to do all that work if the district isn't floating a bond and servicing it.

Mrs. Vaughn said that is part of contract where they know if they do this the district will have the savings and it's floated through the company they have the contract with.

Mr. Whitehouse asked which company has this contract.

Mrs. Vaughn said Siemen's is the company that won the bid.

Mr. Henry said he has heard that the access road is important but he has yet to see a Capital Reserve Fund established for it which would tell him that the School Board thinks it's important.

Mrs. Vaughn said Mr. Henry's suggestion was noted.

Mr. Johnson said he watched Monday's School board meeting and there was not the slightest bit of concern or interest in reimbursing the taxpayers for what they paid over the last 4 years to make up for the reduction in the revenue. He said in one of (School Board Vice Chairman) Penny Morin's Face book posts she said over the last 2 years the taxpayers in this town have suffered through over \$2 in tax increases for the schools due to Adequacy Aid and stabilization grant reductions. The state finally gets their act together and starts to give us some extra money and the first that happens is looking to spend the money. Not to give any of it back or let the taxpayers get a little bit of relief. Pretty much what was said was it's a one- time deal let's spend it he said.

Mr. Whitehouse repeated that the House Speaker said this was to offset taxes or in other words to provide property tax relief.

Mrs. Connolly said that was the intention of the state legislature.

Mr. Henry said he did not think that is the question before them tonight and that the question is do we ask the taxpayers and the choices before them at the deliberative session would be do you want to build a road or fund energy improvements at the schools. The question before us is do we ask the voters and risk the cost of a TAN he said.

Mrs. Johnson said there is also the cost of having the election.

Mr. Whitehouse said the real question is if they would be opening up the possibility of all that money being spent or guaranteeing the money will be used to offset the taxes.

Mrs. Vaughn said the School Board cannot move forward without the Bud Com's decision so it's now in their court by law. She said her concern was that if she had not told them what the options were that somebody would come back and say "We could have..." and ask why she didn't speak up.

Mrs. Arcouette said this money was given back to the School District to give to the town to buy down the tax rate. She said in her opinion that would be the best way to spend that money.

Mr. Johnson said if all holds true in the biannual budget the School District would be getting \$1.2 million next year.

Mrs. Vaughn said she thought it is a total of \$1.2 million over the biannual budget so it would be the other half of this (a second payment of \$620,000) next year.

Mr. Johnson said from the NH Municipal Assoc. report he saw that the district would be getting a one-time grant of approx. \$950,000 for education infrastructure.

Mrs. Vaughn said she had not seen this information. She said they were told there is an education infrastructure grant to be released "shortly" and that might do an access road.

Mr. Johnson said that if this right it won't be unanticipated funds and would be built into their budget and all this other stuff goes away next year. He said he would get a copy of the list for Mrs. Vaughn.

Mr. Henry said he came into the meeting inclined to put this before the voters not knowing the likelihood of a TAN or the cost of it and he also thought they were further along in the performance contract process and that it was more "shovel ready" than it is.

Mrs. Vaughn said the engineers have started their process.

Mr. Henry said he had a hard time supporting the costs and the risks involved with the special meeting and the potential of the tax rate not being set on time again.

Chairman Connolly called for a motion.

**Motion:** (N. Johnson, second E. Johnson) to approve the School Board's request to hold a special meeting;

**Discussion:** Mrs. Connolly explained that if the members vote yes that means they approve of holding the special meeting and it goes back to the School Board to set up the meeting and taxes are set late, etc. She said if they vote no that means the money returns to the taxpayers. Mrs. Johnson said the committee cannot make a negative motion.

Mr. Squires asked what the reason was for the School District giving back money from last year as was discussed earlier in the meeting.

Mr. Johnson said if the School Board doesn't spend the money any unspent funds have to be returned to the taxpayers by crediting it to the following year's budget which lowers the taxes.

Mr. Squires asked if typically something comes back to the taxpayers every year.

Mr. Johnson said something usually comes back and it could be from \$1 up to the \$1.3 million we had 3 years ago.

Mr. Squires asked why they don't spend what they are given.

Mr. Johnson said it could be due to staff turnover or where something happened and a project didn't happen or some costs were less than anticipated.

Mr. Squires asked if they are not going to spend 100% of what they are given why they would want to give them more money to spend.

Mr. Johnson said the state has cut their grants so they've had to make up that money by increasing local property taxes. The state had excess money this year so they decided to split that up and give it back to every town he said.

Mr. Henry said the School Board starts the budget process for a school year that ends on June 30 of the following year. He said they layout what they believe is the money needed to do the job and sometimes at the end of the year there is money they didn't have to spend.

Mr. Whitehouse asked if he would vote no if he wanted to return this money back to the taxpayers.

Mrs. Connolly said that is correct.

**Vote:** The motion failed unanimously (0 in favor, 10 opposed).

**Other New Business-** Ms. Mitchell said Mrs. Vaughn planned to meet with Auditors the next day and asked if she thought that means we should be able to set the tax rate on time this year. Mrs. Vaughn said she hoped to get a number they can get to DRA within the next few days. Ms. Mitchell asked what the deadline is to provide that information to DRA. Mrs. Vaughn said it's as soon as they could possibly get it done. She said they were granted an extension of the deadline for some of the state forms which they met on time and it has been reviewed. Now we are waiting for the last figure so we will be allowed to set the tax rate on a number I know is right she said. Mr. Johnson said it will happen once the school uploads their number to DRA. DRA will then contact the Town Administrator and tell him they are going to set the tax rate. The Selectmen will accept the rate and the Town Clerk will have the bills printed and they usually go out mid-Nov. and the payments start coming in Dec. he said.

**9). Next Meeting:** Wednesday, November 20, 2019

**10). Adjournment:**

**Motion:** (Arcouette, second E. Johnson) to adjourn the meeting passed unanimously at 8:22 p.m.

Respectively submitted  
Kathleen Magoon  
Recording Secretary

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Jodi Connolly, Chairman