

Town of Farmington  
Budget Committee Meeting Minutes  
Wednesday, November 20, 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  
Heidi Mitchell  
Samantha Place  
Jeremy Squires  
Joshua Whitehouse

**Committee Members Absent:**

Jason Lauze

**Others Present:**

Arthur Capello, Town Administrator  
Ruth Ellen Vaughn, SAU Superintendent  
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:**

Blanche Tanner read the following prepared statement:

"The School budget seems to prompt more Bud Com scrutiny than does the Town budget probably due to the dollar amounts needed to accomplish the School Dept.'s goals. With this in mind, I would like to thank Ms. McElhinney for providing additional School budget information as requested by the Bud Com members. It is my understanding that one purpose of the Bud Com is to assist voters with "sufficient information" to vote intelligently. When I attend Bud Com meetings and ask questions I'm here as a taxpaying resident and voter trying to gain as much information as I can to feel better informed when I enter a voting booth or raise a voting card. My intent has never been to waste the Bud Com's time however I feel that any question about why money is being spent is appropriate to bring to this committee. If Town or School representatives or other Bud Com members do not have an answer that is fine, however as an interested community member I hope the answers would be researched and presented at the next committee meeting. Perhaps most voters just look at the bottom line numbers. I think it is important to understand why, where and how money is being spent. As a food for thought question and with all due respect to the committee members I am wondering- if budget related questions cannot be answered at a meeting when all the members are not clear as to the purpose of every line itemized in both budgets, Town and School, how can the committee

members vote to recommend or not a budget to Town or School voters?"

Mrs. Connolly thanked Ms. Tanner for her comments.

**4). Review of Minutes:**

October 23, 2019 – No errors or omissions

**Motion:** (N. Johnson, second Henry) to accept the October 23, 2019 regular meeting minutes as written passed 9-0-1 (Place abstained).

**5). Review Town Reports:**

Mr. Capello said everything is on track and they have set the tax rate. He said we are coming to the end of the year and he has not completely frozen the Town budget but he has frozen certain items that people can't buy without his permission. We are in decent shape he said.

**Actual & Anticipated Revenues –General Fund – October 2019:**

There were no questions or comments on this report.

**Actual & Budgeted Expenses & Encumbrance – General Fund – October 2019:**

There were no questions or comments on this report.

**Detail Statement of Accounts – General Ledger- A/P School – 07/19 through 10/19:**

Mr. Henry noted this report reflects the payments from the Town to the School District.

Mrs. Connolly asked if more payments are due to the School District.

Mr. Capello said the Town makes a payment to the School District every 2 weeks or monthly depending on the time of the year. He said the Town's Finance Administrator works with finance person for the School District to create a drawdown schedule for the payments.

Mr. Henry asked if the payment schedule follows the expected receipt of revenues for the way it comes into the Town.

Mr. Capello said not necessarily and that the School District was gracious enough to allow the Town to make a half payment to them for this month until the tax bills went out. I believe we are all caught up now he said.

**Actual & Anticipated Revenues – Parks & Recreation – October 2019:**

Line 04-3409-53, Summer Program - Mr. Capello said in answer to Mr. Henry's previous question about why the summer program was overspent it was because there was an unanticipated enrollment in the program due to the end of the FAMEE program.

Mr. Henry said he questioned it after they first noticed the expenses were higher and then noticed that the anticipated revenues were higher than budgeted.

**Actual & Budgeted Expenses & Encumbrance – Parks & Recreation – October 2019:**

There were no questions or comments on this report.

**Remittance Report – 01/01/19 to 10/31/19:**

Page 16, Fire & Ambulance Income (\$58,342.84) - Mr. Whitehouse asked for a breakdown of this line item.

Mr. Capello said there are 3 sources of income that make up this line and asked if he wanted a

breakdown of all 3 sources.

Mr. Whitehouse said he would like a breakdown of the 3 sources if possible.

Page 17, Payment in Lieu of Taxes (PILOT) (\$26,350) – Mr. Henry asked what the Town was doing about not getting any money from the yet to be developed solar farm that the Town has leased the land on.

Mr. Capello said he could only say that they are working on it as it is in negotiations at this time.

**Monthly Report – Parks & Recreation – October 2019:**

There were no questions or comments on this report.

Mrs. Connolly commented that her tax bill is \$600 higher this year which is a big bite.

Mrs. Place said their bill stayed the same as last year.

Mr. Capello said the reevaluation is based on actual sales in town.

**6). Review School Reports:**

Ms. McElhinney said she e-mailed the answers to the members' questions from last month's meeting to Chairman Connolly on Nov. 1 and asked if the committee received them.

Mrs. Connolly said she did not receive Ms. McElhinney's e-mail.

The committee received printed copies of the answers at this meeting and Mrs. Vaughn reviewed one of the issues with the members as follows:

The Current Period and Reported Period amounts on July expenditure report don't match and it's the first month of the new fiscal year - Mrs. Vaughn said the two periods are different – one is just for July (current period) and one is for the entire year (reported period). She said the run date for the report is 08/14/19 and she suspected that the difference is that anywhere there is a lower number is what actually happened in July and that the district was into at least one payroll in August. Because this is set for showing the entire year that is why they don't match because this report was run later she said.

Mrs. Johnson said they are supposed to be getting only the months' snapshots.

Mrs. Vaughn said the report was run 2 weeks into the payroll period and that she could go back and run a report that has a reporting period for just July.

Mrs. Johnson said it was run on the wrong day but that it was unimportant now and that it was not getting an answer that was an issue.

Mr. Henry left the meeting at 7:12 p.m.

Mrs. Vaughn asked if there were any other answers that needed further clarification.

Mrs. Johnson said the remaining questions were asked by Mr. Henry who was not present.

Mrs. Vaughn noted that they just received these answers and asked the members to e-mail her if they need further clarification on the responses to their previous questions.

Mr. Johnson said that the answer to the question about the amount to be returned to the town from the unassigned fund balance to reduce taxes is \$965,290 and that does not include the \$620,000 in surplus funds from the state that they discussed last month.

Mrs. Vaughn said the money in the fund balance is from last year and the state funds are

revenue received this year.

Mrs. Johnson asked if the \$620,000 will come back to the town next year.

Mrs. Vaughn said that was part of this year's appropriation. She said it doesn't actually come back but credits the current year. The current year drawdown schedule has been amended to account for that \$620,000 now sitting in our account. It does reduce the amount that is coming to us this current year she said.

She said that Mr. Johnson previously mentioned some additional funding and when they got the Nov. 15 adequacy funds estimate for next year they learned they are not getting it in the same form as Mr. Johnson said but that the state will roll that money into the adequacy funds as a one-time payment. She said the money can be used and they have to say what they plan to do with it and appropriate it as regular revenue. We are looking to draft warrant articles for use of those additional funds she said.

Mr. Johnson asked if those funds would total \$1.5 million.

Mrs. Vaughn said it will be the \$950,000 payment Mr. Johnson previously referenced from a chart listing state payments to school districts next year. She said the unanticipated \$620,000 received this year added to the \$950,000 to be received next year is about \$1.5 million in state funds.

Mr. Johnson said he thought there were two \$620,000 payments to be paid to the district and an additional \$950,000 payment for infrastructure next year.

Mrs. Vaughn said that was 3-4 weeks before the state actually decided what to do and they have they changed that.

**All Funds Revenue Report – 7/01/19 – 6/30/20:**

There were no questions or comments on this report.

**YTD Expenditure Report – Grants Special Revenue Funds – 7/01/19-6/30/20:**

There were no questions or comments on this report.

**General Fund 10 YTD Expenditure Report- Current Period 10/01/19-10/31/19:**

Mrs. Place said there are trainers at all of the schools' athletic events and asked where they would be found in the budget.

Mrs. Vaughn said the trainers are included in the athletic budget.

Mrs. Place asked if the district is using a particular athletic group for these services.

Mrs. Vaughn said it's through one of the orthopedic and training centers and that she would find out which one the district uses. She said they have a contract that specifies that a trainer be in attendance at every home game.

Ms. McElhinney said this item could be found on Page 10, Line 256, Athletic Trainer Contracted.

Mrs. Place said the amount shown for these services (\$4,500) is a good deal. She added that the company is creating a customer base so they are getting a good deal too.

Mrs. Vaughn agreed and said the School District is not paying the market rate for every minute the trainer is on campus.

**School Year 2020/2021 Budget Binder Orientation** – Mrs. Vaughn said the binder is a little lighter this year and that she tried to give the committee the most relevant pieces knowing full well that everybody takes a slightly different lens on the budget. She said she would explain what is in the binder and what was included for ancillary materials for background information as had been requested by the committee in previous years. If you are looking for cost centers or want something broken out in a particular way let me know and I will generate that report. I didn't want to generate a lot of reports and have it become compost she said.

**Introduction**- This section contains the enrollment for this current year, the criteria to determine if something is a supply or equipment and the employees by building.

**Budget- Fund 10** – Mrs. Vaughn said this section is the general operating budget and is the full document that is gone through line by line at the Public Hearing and mirrors what the members get for an expenditure report each month.

Ms. McElhinney said as a bonus there are comments in the Fund 10 budget that may help answer some questions.

**Summary** - Mrs. Vaughn said there comments throughout the entire budget except for in the Summary section where there is a page with colored pie charts that gives 2 different breakdowns of the proposed expenditures followed by the summary pages with just the totals for the object codes.

**Individual Budgets** -Mrs. Vaughn said there is a section for each school, student services, curriculum & instruction, facilities, transportation and technology which are the biggest chunks of the budget. She said the breakdowns for each of these sections are included in the full general fund.

**Projected Revenues** -She said the back section of the binder includes a section on projected revenues which typically goes to the board by the first meeting in December and it has been updated to include the adequacy funds discussed earlier in the meeting. There is also a page with the totals listed for the adequacy grants for several communities with Farmington's one-time grant and the total adequacy aid as of 11/15/19 highlighted she said.

**Trust Funds** -Mrs. Vaughn said the last page is a breakdown of just the School District Trust Funds as of Nov.1.

Mrs. Vaughn then asked the committee if there is any other information they know they would like to see so they can make a better decision. She said the members could also wait until after the school budget presentation on Dec. 4 and then request additional information if needed.

Mr. Henry returned to the meeting at 7:25 p.m.

Chairman Connolly suggested that if the committee has questions or requests they should e-mail them to her and she will compile a list and forward it to Mrs. Vaughn to save her from being inundated with e-mails.

**Default Budget** -Mr. Johnson asked if Mrs. Vaughn knew when the default budget would be ready.

Mrs. Vaughn said it is in the process but she did not know if it would be done by Dec.4 as it is the Business Administrator's first default budget and it must be reviewed by their attorney.

**School Budget Workshop-** Mrs. Connolly said the Bud Com has a school budget workshop scheduled for Dec. 18 and they may come up with some additional questions then as well.

Mrs. Vaughn offered to attend the session to answer questions if that would be helpful.

Consensus of the committee was to invite Mrs. Vaughn to attend their work session.

**School District Warrant Articles** – Mrs. Vaughn said she did not have the proposed warrant articles for this meeting as they are in draft form and being reviewed by legal counsel. She said she can tell the committee what the topics are but nothing has been voted on by the School Board as they are still working on the final language for the articles. The topics include the establishment of a **Capital Reserve Fund** for a secondary access road at the school campus, roofing projects at FHS and HW, appropriate funds into the bus CRF, replacement of kitchen equipment and 2 warrant articles for Collective Bargaining Agreements (union contracts).

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

Mr. Whitehouse said he placed an information request under RSA 91-A and received copies of some of the invoices for services performed by Municipal Resources Inc. (MRI). (See attached).

Mrs. Vaughn said some services were provided last year and some this summer for the investigation and consultant services to replace administrators before she returned to work.

Mr. Whitehouse said the last invoice he received was for 3/29/19 and he wanted to know what has happened since.

Mrs. Vaughn said the rest of the invoices would be for the financial consulting done last year and that she would get the additional information for the committee.

#### **8). New Business:** None

#### **9). Any Other Business to Come Before the Committee:** None

#### **10). Next Meeting:** Wed., Dec. 4, 2019 at 6 p.m. – Presentation of the School District budget

#### **11). Adjournment:**

**Motion:** (Whitehouse, second E. Johnson) to adjourn the meeting passed unanimously at 7:35 p.m.

Respectively submitted

Kathleen Magoon, Recording Secretary

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Jodi Connolly, Chairman