

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, February 28, 2018

Committee Members Present:

Sylvia Arcouette, Chairman
Neil Johnson, Selectmen's Rep.
Elizabeth Johnson, Secretary
Linda McElhinney, Alternate School Board Rep.
Heidi Mitchell
Tim Brown
Stephen Henry

Committee Members Absent:

Jodi Connolly, Vice Chairman, excused
Angie Cardinal, School Board Rep.
Michelle Elbert, excused
Jason Lauze, excused

Others Present:

Arthur Capello, Town Administrator

1). Call to Order:

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

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Public Comment:

Mr. Capello said the elections (March 13) and Town Meeting (March 14) are coming up in one week and a half from this meeting.

4). Review of Minutes:

January 17, 2018- No errors or omissions

Motion: (N. Johnson, second E. Johnson) to accept the minutes as written passed 6-0-1
(Mitchell abstained).

January 24, 2018 – No errors or omissions

Motion: (N. Johnson, second E. Johnson) to accept the minutes as written passed 6-0-1
(McElhinney abstained).

February 3, 2018 – No errors or omissions

Motion: (N. Johnson, second E. Johnson) to accept the minutes as written passed 6-0-1
(McElhinney abstained).

February 13, 2018 – Page 1, Committee Members Absent- add "excused" after Jodi Connolly.

Motion: (N. Johnson, second E. Johnson) to accept the minutes as amended passed 6-0-1
(McElhinney abstained).

5). Town Reports:

A). Actual & Budgeted Expenses & Encumbrance- General Fund (printed 2/13/18)- Mr. Capello said the budget is on track although technically the Town doesn't have a budget until it is approved at Town Meeting.

Mr. Henry asked if there has been anything unexpected so far.

Mr. Capello said there hasn't been anything unexpected so far but said he would like it if "Mother Nature" would cooperate more.

Mr. Henry said he thought it is close to being done with plowing for the season.

Members disagreed with varying predictions for an impending snow storm for the weekend.

Mr. Capello advised residents that even if it doesn't snow the Town plows/sanders may still be out treating the roads for freezing rain on the dirt roads.

There were no other questions/comments on this report.

B). Actual & Anticipated Revenues- General Fund (printed 2/13/18) - Mr. Capello said it is still too early in the year to have collected any revenues in most of the line items.

There were no questions from the committee on this report.

C). Remittance Report (01/01/18-01/31/18) - There were no comments or questions on this report.

D). Actual & Anticipated Revenues Report; Actual & Budgeted Expenses & Encumbrance Report- Parks & Recreation (printed 2/22/18)- There were no questions or comments on either of these two reports.

Mr. Henry asked if there was any more information available regarding if there will be any contribution to the TIF District account from the solar farm to be located in the district.

Mr. Capello said the solar money can't go into the TIF District account but the Selectmen have the authority to submit a warrant article to deposit money into the TIF account.

Mr. Johnson said it was initially thought that at least a portion of the money from the solar farm would go into the TIF District. The RSA governing TIF Districts states that a change or increase in taxes would go into the TIF District. Since the PILOT creates a tax exemption the PILOT money can't go into the TIF District but the Selectmen can submit a warrant article that can be voted on in March he said.

Mr. Henry clarified that he was talking about the privately owned solar farm not the solar facility scheduled for construction on Town property and asked why they were given a PILOT agreement.

Mr. Capello said they have the right to a PILOT under the RSA's governing natural and renewable energy sources.

Mr. Henry asked if the Town was required to agree to a PILOT.

Mr. Capello said Selectmen were not required to agree to a PILOT but if they were charged the full tax rate the facility would not be there as it wouldn't produce enough money to pay for general taxation. He added that the private facility will market to Farmington residents with the School District and the Library having first dibs on the solar power generated there.

Mr. Henry asked if Selectmen are proposing to fund the TIF District with solar farm revenues this year.

Mr. Johnson said the facility is not expected to be up and running until the end of summer so

they would only be operational for 3 or 4 months so not much revenue will be produced.

Ms. Mitchell asked about the length of the PILOT agreement.

Mr. Capello said the PILOT is for 20 years with 2 five year extensions.

Mr. Henry said that is the expected life span of the solar panels. He explained that in this case, "PILOT" doesn't mean a starter or trial period but stands for Payment In Lieu of Taxes.

Ms. McElhinney asked for the amount of anticipated revenue from the solar farm.

Mr. Johnson said the revenue from the Town landfill would include a \$20,000 lease payment with a 2% escalator and \$15,000 PILOT, the Cardinal landfill (owned by NH Custodial Trust) has a \$10,000 PILOT with the Trust receiving the lease fees and the privately owned solar farm where the landowner gets the lease fees and the Town will receive approx. \$8,000 for a total of approx. \$40,000 to \$50,000 a year once all of the facilities are up and running.

Mr. Capello noted that two of these properties are unusable (the former Town landfill and Cardinal landfill sites) for any other purpose due to contamination issues.

Ms. Mitchell asked for the total acreage for all of the parcels.

Mr. Johnson estimated the total acreage at about 20 acres.

Mr. Capello said they are subdividing the properties into multiple lots because state law says that a maximum of 1 megawatt can be produced per parcel. Dividing the properties optimizes the amount of energy that can be produced for the amount paid for the land he said.

Mr. Henry asked if this is true only for privately owned properties.

Mr. Capello said it is true for all properties whether they are Town owned or private property.

Mr. Henry asked if the Town landfill can be subdivided.

Mr. Capello said that it can be subdivided and that the subdivision process is underway.

Mr. Capello said he testified at a hearing held in Concord to consider changing the law to increase the amount of energy production per lot to 5 megawatts. There has been a limit on how much energy can be produced per lot because the utility companies also have very good lobbyists he said.

6). School Reports:

A). Year-to-Date Expenditure Report (printed 1/31/18) – Mr. Brown asked where the district is with the budget percentage-wise at the sixth month point.

Ms. McElhinney said she did not have the answer to question and said she would provide the answer following the meeting.

She then offered the following budget highlights:

Page 1, Line 10, Insurance Buybacks Reg. ED/H (-\$838.36 amount remaining) this negative variance is for an employee who is now eligible for the health insurance buyback

Line 17, Health Insurance Reg. ED/HW (-\$274.82 amount remaining) the negative variance is for an employee cost sharing correction

Page 5, Line 127, Salaries, SPEC ED- subs VV (-\$615.60 amount remaining) the School Board is intentionally leaving the negative variance in place to track the shortage in Special Education

substitutes. It will be covered with Line 128 but as the year progresses it will be shown as a negative variance.

Line 140, FICA Spec. Ed. /FHS (-\$365.42 amount remaining) this negative amount relates to an unexpected insurance buyback which is subject to FICA and it will be covered with Lines 138 and 139.

Page 10, Line 264, District Resource Officer- Ms. McElhinney said she had a question for the committee regarding this line. **She asked if the Town will provide the amended figure for the new School Resource Officer.** The district has it budgeted at \$42,787 but the anticipated figure will probably be higher she said.

Mr. Johnson said the Town has not received that number yet as the Police Chief is still working on it because Officer McNulty is paid at a higher rate than the previous School Resource Officer. He said he did not expect it to be more than few thousand dollars higher than the current figure. He said he would contact the Town Administrator and ask him to provide the number to SAU as soon as it becomes available.

Mr. Henry asked if the negative amounts on the insurance buybacks were offset by not having to pay for their health insurance.

Ms. McElhinney said she believed that is correct. She said the School Board discussed the **Life Safety Program** at their last meeting where any savings from the health insurance will be used to fund the district's 20% share of the program. She said she is still learning about the program and will **provide more information to the committee at their next meeting.**

B). Revenue Report, All Funds (printed 1/31/18) – Ms. McElhinney said she had a few comments regarding this report.

Page 1, Line 1 Town Current Appropriation – (54.76% to collect) town appropriation funds are tracking on schedule and are tied to the tax assessment payment schedule

Line 19, Medicaid, State- it is tracking well with only 36% remaining to collect. Mr. Johnson said that at this rate, the line may go over the amount estimates with this much already collected.

Mr. Henry noted that these are billed services so there may be unanticipated expenses on the other side of the budget to offset the revenues.

Page 5, Lines 78-80, State Revenues, Child Nutrition, VV,HW, FHS – the district is still due to receive the state match for lunch sales for the fiscal year 2016-2017 but the funds are typically received in February. She the board did not have the **figures** at the last School Board meeting but probably would have them in time for the next Bud Com meeting.

Lines 87 and 88, Child Nutrition/FED Snack, VV, HWM – the district is now able to claim a federal portion for the after school snacks provided through the FAMEE program. Ms. McElhinney said it will be a small amount but the district is entitled to it and commended Café Services for working with the district to meet the requirements.

YTD Expenditure Report, Grants, Special Revenue Funds (printed 1/31/18) – Mr. Johnson said this report is difficult to reconcile as the district is at the mercy of the federal government as to

when the grant revenues will be paid.

There were no other questions or comments on this report.

7). Old Business: None

8). New Business: None

9). Next Meeting: Wednesday, March 28, 2018

10). Adjournment:

Motion: (Henry, second E. Johnson) to adjourn the meeting passed unanimously at 7:30 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

Sylvia Arcouette, Chairman