

Town of Farmington
Budget Committee Meeting Minutes
Town Budget Presentation and Regular Meeting
Wednesday, January 20, 2021

Committee Members Present:

Jodi Connolly, Chairman
Elizabeth Johnson, Vice Chairman
Sylvia Arcouette, Secretary
Neil Johnson, Selectmen's Rep.
Tim Brown, School Board Rep.
Joe Pitre
Blanche Tanner
Bob Morgan
Chad York
Samantha Place

Committee Members Absent:

Jeremy Squires, excused

Others Present:

Selectmen Paula Proulx, Dave
Connolly, Gerry Vachon
Police Chief Jay Drury
Fire Chief James Reinert
Town Clerk Becky Dickie
DPW Director Gary Rogers
Superintendent Ruth Ellen Vaughn

1). Call to Order:

Chairman Connolly called the meeting to order at 6 p.m.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Presentation of Town Budget:

Mr. Johnson said the first page of the packets the members received contains the FY 2021 Revenue Estimates Updates (as of 01/12/21) and noted that the Shared Revenue Block Grant (\$161,259 in 2020) was a one-time grant from the state and that is a \$161,000 hit this year already. He said they estimate the Town will receive about 70% of the revenues it received last year for the Room and Meals Tax (\$348,298 in 2020; \$243,808 est. for 2021) and the Highway Block Grant (\$166,639 in 2020; \$116,634 est. for 2021) which is a loss of about \$155,000. He said that was based on what the state was telling us earlier in the year and their current projections look a little better than the dire forecast they predicted 6 months ago so hopefully those figures will increase. We based the budget on a 70% payment compared to last year so that's a second hit and about \$300,000 right there he said.

Mr. Johnson said a major income increase is under Other (inc. Railroad Tax) with an additional \$25,000 in revenue (\$29,095 total est. for 2021) which includes a forestry grant, an emergency management grant and a Police Dept. grant. That doesn't help the bottom line but it does give us some additional money to get some projects done at the Police and Fire Depts. he said.

He said most of the other revenue lines are fairly consistent with what we had last year but we are still going to be down over \$300,000 based on projections.

Mr. Johnson turned to the 2020 Budget/2021 Budget Request page and said they cut about \$85,000 off of last year's budget for this year to compensate for some of the lack of revenue. He said they spread the cuts out over quite a few different depts. and a major hit to the budget was the payments for the new fire truck and the DPW truck which is about a \$68,000 increase. He said they cut \$91,000 from the Recreation Dept. budget and they are awaiting the results and recommendations from the UNH study of Rec. Dept. He said they didn't cut the dept. budget completely because they are still anticipating bringing the dept. back possibly mid-year depending on the status of the Corona virus and what UNH recommends.

Chairman Connolly asked what UNH is looking into.

Mr. Johnson said they are looking at better use of the facilities, time, people and activities and potentially expanding or changing the scope of the programs. He said UNH sent out a questionnaire and held several focus group meetings and then collated all that information and the Town has just received their report and it hasn't been distributed to the Selectmen yet.

Mrs. Connolly said she noticed the \$80,000 hit to the Goodwin Library budget.

Mr. Johnson said due to the fact they were closed almost 9 months of the year they had \$60,000 in unexpended revenue that they are crediting towards next year's budget. Then there was an additional \$20,000 from this year's budget that they expect not to spend because they are not open again due to the Corona virus which would be a total \$80,000 credit toward this year's budget he said.

He said at the end of the presentation he would like the committee to request a detail of the expenses versus what was budgeted in 2020 to verify those numbers and a proposed budget for 2021 from the library. He asked if any of the members had any questions on the budget.

Revenues for Budget Year Jan. 2021 thru Dec. 2021:

Page 6, Other Misc. Revenues, Lines 01-3509-01 School Gas & 01-3509-02 School Diesel – Mr.

Brown said these two lines are all zeroes and asked if this revenue was moved elsewhere.

Mr. Johnson said he would look into it.

Mr. Pitre said there was a request made to the Trustees of the Trust Funds for about \$25,000 and asked why they need those funds for this year.

Mr. Johnson said the request was for 2020 and it was a request for distribution of funds from 2 trust funds where the Selectmen have the authority to expend the funds for the Hornetown Road Bridge.

Mr. Pitre asked if a Selectman would attend the Trustee's meeting the following night to represent the board's request.

Mr. Johnson said he did not know.

Mrs. Connolly suggested he contact the Board of Selectmen Chair for that answer.

Ms. Tanner returned to the Revenue Estimate Update sheet and asked why there was no estimate for property taxes on this sheet.

Mr. Johnson said the property taxes are based on what the budget is and whatever is not

covered by these offsetting payments will be collected from taxes.

Mrs. Place said they haven't determined what the taxes are yet.

General Fund- 2020 Budgeted/Actual Budget and 2021 Budget Requested:

Page 1, Line 01-4130-10-740 Town Office Equipment (2020 spent \$1,753; 2020 request \$4,270)

- Ms. Tanner asked what equipment they are planning to buy.

Mr. Johnson said this is for normal expenses for printers, computers and office equipment.

Mrs. Place asked if the leases are included in this line.

Mr. Johnson said they are not included in this line and there is a printer line in another section.

Page 3, Revaluation of Property, Appraisals/Revaluation (2020 spent \$20,992; 2021 request \$32,757) – Ms. Tanner asked why the budgeted number changes each year.

Mr. Johnson said the Town is billed based on a per-appraisal cost and the number of requests for reassessments and appraisals varies yearly.

Line 01-4153-10-320 Legal Services (2020 budgeted \$75,000; 2020 spent \$90,487; 2021 request \$79,000) - Ms. Tanner said when a line is overspent they can move money around to pay certain expenses and asked who determines what line that money will be taken from.

Mr. Johnson said the Town Administrator and the Selectmen make that determination.

Mrs. Place said she thought the Town was now paying a flat rate to the Town Attorney.

Mr. Johnson said it's a flat rate for legal advice on issues with personnel, CEO/Build. Insp., etc. but law suits that have to go to court are not covered under the flat rate.

Planning & Zoning, Line 01-4191-10-341 Telephone - Ms. Tanner asked if the 2021 request was left blank because of the new phone system.

Mr. Johnson said she would see that throughout the budget because they are in the process of changing the telephone service provider. He said the previous provider's costs were much higher than was quoted initially so they are changing now and the actual costs are reflected in this report.

Page 4, General Government Buildings, Line 01-4194-10-430 Repairs/Maint. Town Bldgs. (2020 spent \$60,611; 2021 request \$43,000) – Ms. Tanner asked if \$43,000 is going to be enough to do what needs to get done to maintain the buildings.

Mr. Johnson said this is for repairs and maintenance and typically \$43,000 is enough and this year was a little high due to the HV/AC work that was done.

Page 5, Police, Line 01-4210-20-680 Police Canine (2020 budget \$1; 2021 request \$0) - Ms.

Tanner said she once heard Mr. Johnson say that they don't need to keep \$1 in a line to fund it and asked if they got a grant or some other funding source if this could still happen.

Mr. Johnson said yes it could happen.

Page 6, Fire, Line 01-4220-20-244 EMS Training & Certifications (2021 request \$0) – Ms. Tanner said there is no funding in this line and asked how the training and certifications get funded.

Fire Chief James Reinert said they had separate Fire Dept. training and EMS training lines that were combined into one line (Line 01-4220-20-243 Fire Dept. Training) and the EMS Training &

Certifications line is no longer used.

Page 7, Fire Dept. Electricity, Fuel Oil and Maint. Bldg. – Ms. Tanner said there is nothing funded in these lines and asked if they are funded in some other lines.

Mr. Johnson said this is all coming out of the DPW budget.

Page 8, Emergency Management, Line 01-4290-10-832 Civil Defense Grants (2020 budgeted \$0; 2021 requested \$16,500) – Ms. Tanner asked what the \$16,500 is for.

Chief Reinert said it is for the update to the Local Emergency Operations Plan that must be renewed every 5 years and typically they a grant to cover the entire cost but they have to front the money.

Administration Highway and Street, Line 01-4311-10-110 Highway Personnel (2021 request \$355,543) – Ms. Tanner asked for the number of full time employees in the Highway Dept. DPW Director Gary Rogers said there are 9 full time employees in the Highway Dept.

Page 9, Highway & Streets, Line 01-4312-10-631 Sidewalks (2020 budget \$20,000; 2020 spent \$0; 2021 request \$20,000) – Ms. Tanner said it looks like the money wasn't used in 2020 but the same amount of money is being requested again.

Mr. Johnson said the money was used in 2020 but they didn't receive an invoice by the date this was printed. He asked Mr. Rogers if the \$20,000 was fully expended.

Mr. Rogers said a good portion of it was spent.

Line 01-4312-20-661 Repaint Trucks (level fund at \$9,000; 2020 spent \$0) - Ms. Tanner asked if it was the same thing with this line.

Mr. Johnson said they did not repaint any trucks in 2020 to cut costs and it will have to be done in 2021.

Page 10, Sanitation Administration, Line 01-4321-20-110 Landfill Personnel (2020 budgeted \$51,003; 2021 request \$48,737) – Ms. Tanner asked if this is for one salary.

Mr. Johnson said it is for one full time salary.

Page 12, Parks & Recreation, Line 01-4520-10-110 Recreation Payroll – (2020 budgeted \$91,626; 2020 expended \$39,871; 2021 requested \$45,000) – Ms. Tanner asked how the \$45,000 number was determined.

Mr. Johnson said they cut what was budgeted in 2020 roughly in half.

Page 8, Emergency Management, Line 01-4290-20-630 River Management (2020 budgeted \$5,000; 2020 expended \$0; 2021 requested \$54,740) – Mr. York asked about the big increase to this line.

Mr. Rogers said this includes the contract with Hoyle Tanner for the upgrades to the levee.

Mrs. Connolly asked if the upgrades would all be done in 2021.

Mr. Rogers said that is correct.

Ms. Tanner asked about the memo they received at this meeting regarding additional information on Warrant Article #6 and adding money to the Sewer and Water Depts. and asked where that shows up in the budget.

Mr. Johnson said it doesn't as the Water Dept. and Sewer Dept. are self-funding Enterprise Funds and are attached at the end of the reports. He said the users pay all the expenses and the memo from Mrs. Merrill is because when they raise and appropriate funds for the budget they have to include all expenses and they are offset at the other end. When we write the warrant article for article #6 for the operating budget we have to include the amount that is going to be spent for water and sewer and there was a \$2,000 interest payment that she missed and that gets added to the \$6 million in warrant article #6 raising it to \$7.1 million he said.

Mr. Brown said the overall operating budget is down significantly based on the lack of revenue and for the Public Hearing he would be interested in hearing the uncontrollable increases in expenses such as the increases in retirement and health insurance payments and if the \$80,000 figure is actually bigger than it sounds to the public with the measures the Town has taken. He said on the school side the retirement costs went up significantly.

Mr. Johnson said that increased on the Town side as well.

Mr. Brown said so on top of the \$80,000 decrease they made they've had to absorb the uncontrollable costs and he was curious as to what that number is. He said it was a good job and people need to hear how much effort went into the budget based on the revenues.

Warrant Articles:

Mr. Johnson said Articles 1-5 are for the election of officers and the proposed zoning amendments so the Budget Committee does not have anything to do with them.

Article #6 – Operating Budget – He said the \$6.125 million in this article will be changed to \$7,121,483 barring any additional changes from the Bud Com. The Selectmen recommended this 4-0 and the estimated tax impact is 49 cents he said.

Article #7 – Bridges and Road Design Capital Reserve Fund – Mr. Johnson said they expended money from the CRF for the Hornetown Road Bridge and they are looking to replenish the fund for a study by Hoyle Tanner to look at the other bridges in town and give them a road map for how they will repair the other bridges in town. He said they're looking to raise \$100,000 to be put in the CRF to have money set aside for the Town's matching portion of the grant from the NH State Bridge Aid when it becomes available. The fund currently has \$42,617 in it and the \$100,000 would come from taxation with an estimated tax impact of 18 cents he said.

Article #8 – Repurpose Employee Financial Obligation Fund – Mr. Johnson said the original purpose of this fund was to cover the expenses for long term employees that had large amounts of sick and vacation time that had to be paid to them when they left employment with the Town. He said most of the long time employees have now retired so they want to repurpose this fund to cover the other employees rather than taking it out of the salary line in the operating budget. He said it doesn't require a Bud Com vote and he just wanted to make them aware of it.

Article #9 – Add to Highway Dept. Motorized Equipment CRF – He said this article seeks to add \$5,000 to the \$106,286 currently in the fund. The money is for DPW trucks and equipment and

would come from the unassigned fund balance so there is no tax impact he said.

Mr. Pitre asked for percentage of funds in the unassigned fund balance.

Mr. Johnson said the last number he was given was the unassigned fund balance is at 8%.

Article #10 – Reevaluation CRF – Mr. Johnson said this article is to add \$20,000 to the \$8,428 in this CRF for the next major reevaluation of the town that typically costs about \$80,000 to \$100,000 and is required by the state every 5 years. The funds would come from the unassigned fund balance so there is no tax impact he said.

Article #11 – Landfill Closure Fund CRF – He said these funds are for the annual groundwater monitoring at the closed landfill. The Town received a grant several years ago and there is \$100,968 left in the fund. The cost for the testing this year is \$31,429 which would be withdrawn from the CRF he said.

Article #12 – Equipment Purchase and Repair for Equipment at Town Transfer Station – Mr. Johnson said this article would raise and appropriate \$3,000 from the unassigned fund balance to be added to this CRF that currently has a balance of \$3,000. He said this is a new fund that was established last year and this appropriation would have no tax impact.

Article #13 – Self-Contained Breathing Apparatus – Mr. Johnson said this article seeks to put \$15,000 in the SCBA CRF with the funds to come from the unassigned fund balance.

Fire Chief James Reinert said they spent about \$260,000 to purchase Scott packs for the Fire Dept. after receiving a discount from the company.

Mr. Johnson said the air packs have a 15 year lifespan so they are looking to set aside a little money each year to fund the next purchase. He explained they were purchased with a federal grant 16 years ago so they all expired at the same time so it's a big hit every 15 years.

Mrs. Connolly asked if the air packs were purchased in 2020.

Chief Reinert said they were purchased 2 years ago and we are paying on a lease purchase plan.

Article #14- Replacement of HV/AC Units at Municipal Office- Mr. Johnson said this CRF was established last year to replace the boiler downstairs in this building and there is currently \$5,000 in the fund. This article would raise and appropriate \$5,000 from the unassigned fund balance to be added to the CRF he said.

Article #15 – Farmington Cable TV Special Revenue Fund – This is an annual article for payment to the videographer and for the equipment. We usually withdraw \$60,000 from this fund (Community Television SRF) for that purpose and we are looking to make some upgrades so the article is asking to appropriate \$100,000. This is funded from the cable franchise fees so there is no tax impact and there is \$123,537 currently in the fund he said.

Mrs. Connolly asked why they were looking to take \$100,000 out of the fund this year.

Mr. Johnson said they planned to do some upgrades to the equipment and maybe some of the services provided. We just “ball parked” it and we may not need the entire amount but we wanted to make sure we had enough to do everything he said.

Mr. Pitre asked when this contract is due.

Mr. Johnson said he believes it expires in 7 or 8 years as it was done just a few years ago.

~~Article #16- Fund Future Technology Improvements CRF by TDS Fee~~ – Mr. Johnson said this fund is funded from the TDS franchise fees and there are fewer funds available due to the limited availability of TDS service in town. He said the money from this fund is used for internet, routers and other future technology improvements.

Selectmen Chair Paula Proulx said they will have to strike this article per the recommendation from the NH Dept. of Revenue Administration because when the check comes in from TDS they are supposed to write the warrant article for that exact amount. She said they will strike this article this year and wait for the check to come in next year and put the actual check amount in next year's warrant article.

Mrs. Connolly asked if she was saying the Town had not yet received a check from TDS.

Ms. Proulx said the Town did get a check from them and she thought it was for about \$5,100. She said there was no explanation for this and it's just the way the DRA wants it done. Article #16 will not be on the warrant and it has been removed from the DRA online portal she said. Mr. Johnson said the DRA changes their rules and that it was understood that when anything had a money amount it was "up to" that amount and now you have to put "up to" and 5 years ago they told you don't have to take that out and then they made us take it out.

Article #17- Building Inspector Position SRF – Mr. Johnson said this is the fund where licensing fees are deposited to pay for the Building Inspector/Code Enforcement Officer. He said this is to withdraw \$80,000 from the SRF to fund that position and there is \$28,130 in the fund as of Dec. but that it will be up there as it has been a very good year for building permits.

Article #18 – Emergency Medical Motorized Equipment – This is to appoint the Board of Selectmen as the agents to expend from this fund and is not a money article.

Article #19 – Recreation Equipment Fund – This is also to appoint Selectmen as agents to expend from this fund.

Article #20 – Change the Veteran's Tax Credit – Mr. Johnson said this article is by petition to change the Veteran's tax credit from \$500 to the \$750 maximum allowed by the state.

Ms. Tanner asked for an explanation of the Veteran's Tax Credit.

Mr. Johnson said if you are a war veteran and meet the dates and requirements spelled out in the RSA you currently get a \$500 credit off your property taxes. He said the state government changed that and increased the amount to \$750.

He said that is an expense to the Town so it increases everybody's taxes and the impact of this \$250 increase is almost \$75,000 which is 13 cents on the tax rate if this passes. The Selectmen have not recommended it because of the way money is this year and decided this is an expense that should be put off for a year he said.

Mr. Johnson said Article #21 (Fireworks Ordinance), Article #22 (Noise Ordinance) and Article #23 (Acceptance of Smith Court) are by petition which the Bud Com does not comment on. He then returned to the Possible Town Budget Comparison sheet and said that the \$6.1 million

proposed 2021 operating budget at the top of the page could remain the same as the additional expense for the Water and Sewer Depts. would be a wash. He said what we currently have for Veteran's war credits at \$500 is \$216,750, the estimated revenues are \$2,503,709 and the revenue to be collected by taxes is \$3,838,561 and if everything comes through the estimated 2021 tax rate would be \$6.89 which is a 49 cents increase without the warrant articles.

Mrs. Connolly asked for the total for the warrant articles.

Mr. Johnson said it would be 18 cents for the \$100,000 for the bridge CRF and approx. 14 cents for the Veteran's Tax Credit increase or about 32 cents more for the warrant articles.

He said at the bottom of the Town Budget Comparison page it says the budget with the warrant articles and no veteran's credit increase is a 67 cent increase on the tax rate(to \$6.89) and the budget with the warrant articles and the veteran's credit increase is an 80 cent increase on the tax rate (to \$7.02).

Goodwin Library Budget Request:

Motion: (Brown, second N. Johnson) that this committee request from the Library Trustees a report of their annual appropriations, expenses and any accounts that they have within the library for the next Public Hearing;

Discussion: Mrs. Place asked that the cost savings with COVID (where they saved money with the closures) be included in the report.

Mr. Brown said the last time he looked there was \$300,000 in the bank at the library. So not only do I want to see their budget I want to see what assets they have so that if we to make a decision to go up or down we would have the whole picture he said.

Amendment: by Mr. Johnson- that the committee request from the Library Trustees a line item budget with the 2020 expenses, an accounting of any assets and the proposed line item budget for next year

Vote: the motion passed 10-0.

Town Budget Workshop:

Mr. Brown said they went through a lot of questions tonight on the Town budget and asked if they need the workshop (Feb. 3) or could they go right to the Public Hearing (Feb. 10).

Consensus of the committee was the Feb. 3 workshop wasn't needed and should be canceled. So moved by Mr. Brown and seconded by Mr. Pitre.

Vote: the motion passed 10-0.

Next Bud Com Meetings:

Saturday, January 30, 2021 at 8:30 a.m. at FHS gym prior to the 9 a.m. Deliberative Session
Chairman Connolly reminded the members to remain after the session ends to close the Bud Com meeting.

Wednesday, February 10, 2021 – Town Budget Public Hearing at 6 p.m. followed by the regular monthly meeting; snow date – Friday, February 12 at 6 p.m.

Regular Monthly Meeting:

Review School Reports

December 2020 School District Budget Update Report – FINAL – There were no questions or comments on this report.

All Funds Revenue Report (01/06/21) – There were no questions or comments on this report.

YTD Expenditure Report- Grants Special Rev Funds – Mrs. Connolly asked if there were any new surprises for this year so far.

Mrs. Vaughn said no and that everything is unexciting which is a good thing.

General Fund 10 YTD Expenditure Report – Mrs. Vaughn said this report is as of the end of Dec. There were no questions or comments on this report.

Attorney Letter Regarding 2021 Default Budget – Mrs. Vaughn said she included Att. Eric Maher’s letter (re: his review of the default budget and its conformity to the RSA) and the full line item report for the FY 22 Default Per RSA 40:13 (B). She said what gets posted is the abbreviated version of the default budget from DRA that is 4 pages long.

She said everything was all set with the signatures for the MS-27.

DRA Ruling - Mr. Brown asked Mrs. Vaughn to explain the DRA ruling on Warrant Article #3.

Mr. Vaughn said when she went through the final paperwork with the DRA rep. she pointed out that the language in RSA 40:13, 11(c) states the operating budget “shall” be worded in a certain way so the language they used in Article #3 to break out the amounts to be added is not allowed under this RSA so it had to be removed. She said it has the same numbers they voted on but it was changed so it just shows the totals.

Mr. Johnson asked if that could go under the article as an explanation.

Mrs. Vaughn said it can be posted separately, explained from the floor of the meeting or in the materials put out for the Deliberative Session but it can’t go on the warrant or on the ballot.

Mr. Johnson said the Town Warrant has been submitted to the DRA portal so some of the wording may change.

Ms. Tanner asked about the procedure for the Deliberative Session.

Mrs. Vaughn said it is relatively the same but they are looking at having a separate breakout room for overflow or for those people who cannot or will not wear a mask.

Mrs. Place said there was a mandate about the number of people that can gather together and asked if there was an exception for this type of event.

Mrs. Vaughn said there is an exception because it is a political gathering but they still have to maintain 6 ft. social distancing. She said they were able to get easily 150 chairs and 2 tables in when they did the Deliberative Session in August for the Sept. vote so she is anticipating it should be fine and the breakout area could be in the band room or the cafeteria with live feeds.

She said the typical attendance at Deliberative Session is about 150 people and it will probably be lower this year.

Mrs. Place asked when the committee would vote on their recommendations for the articles.

Mrs. Connolly said they would vote on whether or not to recommend the Town warrant articles after the Town Budget Public Hearing.

Review of Minutes:

December 9, 2020 – No errors or omissions

Motion: (Arcouette, second E. Johnson) to approve the minutes as written passed 10-0.

December 16, 2020 – No errors or omissions

Motion: (N. Johnson, second E. Johnson) to approve the minutes as written passed 8-0-2 (Arcouette, Place abstained).

Review of Town Reports:

The committee reviewed the Remittance Report (01/01/20-12/31/20); the Detail Statement of accounts – General Ledger Report (Dec. 2020); the Actual & Budgeted Expenses & Encumbrances Report – General Fund (Dec. 2020) and the Actual & Anticipated Revenues Report– General Fund (Dec. 2020) and had no questions or comments on any of the reports.

Adjournment:

Motion: (Brown, second E. Johnson) to adjourn the meeting passed 10-0 at 7 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

Jodi Connolly, Chairman