

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, February 10, 2021

Committee Members Present:

Elizabeth Johnson, Vice Chairman
Sylvia Arcouette, Secretary
Neil Johnson, Selectmen's Rep.
Tim Brown, School Board Rep.
Blanche Tanner
Jeremy Squires
Chad York
Bob Morgan

Committee Members Absent:

Jodi Connolly, Chairman, excused
Samantha Place
Joe Pitre

Others Present:

Paula Proulx, Selectmen Chairman
Gerry Vachon, Selectman
John Drury, Police Chief
James Reinert, Fire Chief
Becky Dickie, Town Clerk/Tax Collector
Gary Rogers, DPW Director
Tami LaRock, Goodwin Library Director
Linda McElhinney, Library Trustee Treasurer
Ruth Ellen Vaughn, SAU 61 Superintendent
Brian Cisneros, Business Administrator

1). Call to Order:

Vice Chairman Elizabeth Johnson called the meeting to order at 6 p.m.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Public Hearing – Proposed 2021 Town Budget and Warrant Articles:

Goodwin Library Budget – Board of Trustees Treasurer Linda McElhinney began with the Budget Tracking Report that contains the expenditures for 2020. She said the first column shows what was spent for the library in 2020 (\$201,795) and the second column shows what was budgeted for the year (\$302,272).

She said the bottom of page 2 shows they came in under budget and the unassigned fund balance remaining is \$100,476. That is mainly due to staffing because of COVID-19 she said.

Mr. Johnson said there may be an error that affects that amount on page 1 in the Operations: Materials expenses section. He said the total shown is \$23,478.72 and it should be \$24,558.72 because they missed the \$1,080 expense for the museum passes.

Ms. McElhinney said that expense would not be put in because it was reimbursed by the Friends of Farmington as shown in the income section at the top of the page.

Mr. Johnson said it still has to be counted as an expense to be offset by the income. He said that would make the total in the unassigned fund balance \$99,396.34.

Ms. McElhinney then turned to the 2021 budget (REV 02-08-21) and said they would notice that this budget is level funded and they took the same numbers from 2020 and transferred them to

2021. She said the reason for this is mainly due to COVID-19 as they are not sure when things will return to normal and they want to fund all the lines so that when the library opens they can hit the ground running. One of the biggest savings we had was in staffing and that can change on a dime and I would like to have the full staffing line available she said.

Ms. McElhinney said another reason for this is she felt this would be much cleaner and at the end of the year they will have to have to discuss where they go from there for the 2022 budget. She said the Report of the Trust Funds of the Farmington Public Library Assoc. for Oct. 2019 gives the names of the trust funds, the purpose of the fund and date opened, their location (how they're invested), restricted dollar amounts (only the interest can be spent), income accessible to the library and combined total of the restricted dollar amounts and the income.

Ms. McElhinney then returned to the 2021 library budget and said the amount they requested from the Town last year was \$280,837. She said a few months ago when they knew that they would come in under budget the Town asked what that amount might look like and they came up with a figure of \$80,000 that they would feel comfortable returning to the Town.

She said they actually came in at \$99,396.34 under budget and proposed that they take the \$19,396.34 difference and put into the **Capital Reserve Fund** for the library roof similar to what the Town did last year when the unassigned fund balance was used to fund the warrant articles. She said the line for the 2021 budget says the Town's portion for the library would be \$280,000 but it is actually \$200,837 and she did not know to reflect that going forward.

Mr. Johnson asked if they expect to replace the roof this year.

Ms. McElhinney said they aren't sure as they have not been able to get someone to look at it. She said the slate roof was built in 1928 and there is some indication of the slates slipping. Once we get someone to look at it they'll let us know if replacement is urgently needed she said.

Mr. Johnson asked if the roof hasn't been touched since it was first constructed in 1928.

Ms. McElhinney said the flat portions of the roof had rubber membranes installed but the slate hasn't been touched.

Mr. Johnson said he would like to discuss using the \$19,000 to offset taxes this year so the Town payment to the library would be approx. \$181,000 and to set aside whatever they save this coming year for roof and delay it for 1 year because this year we are hurting for money.

Vice Chairman Johnson opened the public hearing at 6:14 p.m.

There were no questions or comments from the public present.

Ms. Tanner asked how the \$216,750 in war credits and overlay in the proposed 2021 operating budget is calculated.

Mr. Johnson said that is an actual figure derived from the number of people that applied for that at \$500 each and the number of families. He said right now the total is \$216,750 and if the petitioned warrant article passes it will increase to \$291,500.

Mr. Brown asked if the payment from the Town to the library is included in the Warrant Article #6 operating budget or if it is separate.

Mr. Johnson said it is part of Article #6. He said if there is a motion to lower the library amount or any other part of the budget they will have to amend the operating budget amount.

Vice Chairman Johnson closed the public hearing at 6:17 p.m.

Motion: (N. Johnson, second Brown) to reduce line item 01-4550-10-670 Farmington Library from \$200,837 to \$181,837;

Discussion: Ms. Tanner asked if the library representatives were comfortable with doing this.

Ms. McElhinney said she was comfortable with this.

Ms. LaRock agreed and that she appreciated their consideration in this.

Vote: The motion passed unanimously.

Motion: (Brown, second N. Johnson) to recommend the budget as amended passed unanimously.

Motion: (N. Johnson, second Squires) to move the Budget Committee budget of \$7,102,483 to the warrant passed unanimously.

Mr. Squires asked for the estimated tax impact of operating budget.

Mr. Johnson said the tax impact would be approx. 46 cents.

Motion: (N. Johnson, second Brown) to recommend the operating budget as amended to \$7,102,483 passed unanimously.

Article #7 – Bridges and Road Design – to raise and appropriate \$100,000 to be added to the Bridges and Road Design CRF; Selectmen recommend: Yes (4-0); Tax Impact: 18 cents; total in the fund: \$24,827.

Motion: (Arcouette, second N. Johnson) to recommend Article #7;

Discussion: Mr. York asked if this is one of the CRF's that had money withdrawn from it for the Hornetown Road Bridge.

Mr. Johnson said that is correct.

Vote: The motion passed 8-0.

Article #9- Highway Motorized Equipment CRF – to raise and appropriate \$5,000 from the unassigned fund balance to be added to the CRF to assist with the replacement of highway equipment. Selectmen recommend: Yes (4-0); No tax impact; total in the fund: \$95,516

Motion: (Brown, second Arcouette) to recommend Article # 9 passed 8-0.

Article #10 – Reevaluation CRF – to raise and appropriate \$20,000 from the unassigned fund balance to be added to the Town Reevaluation CRF; Selectmen recommend: Yes (4-0); No tax impact; total in the fund: \$18,432

Motion: (Arcouette, second York) to recommend Article #10;

Discussion: Ms. Tanner asked when the next reevaluation is scheduled to be performed.

Mr. Johnson said it is done every 5 years so it would be done again in 4 years.

Vote: The motion passed 8-0.

Article #11 – Landfill Closure Fund CRF – to raise and appropriate \$31,429 from the CRF to pay for groundwater testing at the closed Town landfill; Selectmen recommend: Yes (4-0); No tax

impact; total in the fund: \$99,992

Motion: (Brown, second Arcouette) to recommend Article #11;

Discussion: Ms. Tanner asked if testing the groundwater is a “forever thing”.

Mr. Johnson said yes and it has to be done once a year. He said this is the remains of a grant to close the landfill and once that money is expended in 2 years the payment for the testing will have to come from the operating budget.

Vote: The motion passed 8-0.

Article #12 – (Town Office) Equipment Purchase and Repair CRF – to raise and appropriate \$3,000 from the unassigned fund balance to be added to the CRF; Selectmen recommend: Yes (4-0); No tax impact; total in the fund: \$3,001

Motion: (Arcouette, second Squires) to recommend Article #12 passed 8-0.

Article #13 – Self Contained Breathing Apparatus – raise and appropriate \$15,000 from the unassigned fund balance to be added to the SCBA CRF; Selectmen recommend: Yes (4-0); No tax impact; total in the fund: \$46,301

Motion: (Brown, second Arcouette) to recommend Article #13;

Discussion: Mr. Squires asked if they buy a certain amount of the apparatus every year and if there is a rotation of the equipment to be replaced.

Mr. Johnson said we are stuck with replacing them all at once because they were originally purchased with a grant all at once so they all expire at the same time. He said they are looking to get them replaced on a rotating schedule but they don’t know if that can be done.

Vote: The motion passed 8-0.

Article #14 – Replacement of the HVAC Units at Municipal Office – to raise and appropriate \$5,000 from the unassigned fund balance to be added to the Replacement of HVAC CRF; Selectmen recommend: Yes (4-0); No tax impact; total in the fund: \$5,002

Motion: (Arcouette, second York) to recommend Article #14 passed 8-0.

Article #15- Farmington Cable TV SRF – to raise and appropriate \$100,000 from the Community Television Special Revenue Fund for costs associated with Farmington Cable TV; Selectmen recommend: Yes (4-0) ; No tax impact; total in the fund: \$123,537

Motion: (Brown, second Arcouette) to recommend Article #15;

Discussion: Mr. Brown asked if Article #15 and #16 would qualify as revolving funds.

Mr. Johnson said there have been some changes to the law regarding revolving funds and he would look into it.

Vote: The motion passed 8-0.

Article #16 – Building Inspector Position SRF- to raise and appropriate \$80,000 from the SRF to pay for the Building Inspector; Selectmen recommend: Yes (4-0); No tax impact; total in the fund: \$28,130

Motion: (Arcouette, second N. Johnson) to recommend Article #16 passed 8-0.

Article #19 – Change the Veteran’s Tax Credit – to increase the optional veteran’s tax credit

from \$500 to the \$750 maximum allowed by RSA 72:28 (by petition); Selectmen recommend: No (0-4); Tax Impact: 13 cents

Motion: (Arcouette, second N. Johnson) to recommend Article #19;

Discussion: Mr. Brown asked if the tax impact is the difference in the \$500 and \$750 credit.

Mr. Johnson said the 13 cents is for the \$250 increase times the number of veterans.

Mr. Squires asked for the number of veterans in town.

Mr. Johnson said there approx. 392 veterans in town. He said the Selectmen did not recommend this because of the cost to the taxpayers this year with the reduction in state funding and the budget issues we are having this year. The board decided not to recommend this article and to look at it again next year when things begin to return to normal he said.

Ms. Tanner asked for the tax impact of the \$500 credit.

Mr. Johnson said the tax impact for the \$500 credit is 27 cents and the additional 13 cents for \$250 increase would increase the tax impact to 40 cents.

Vote: The motion passed 5-3 (Brown, Morgan, Arcouette, Squires, Tanner –yes; N. Johnson, E. Johnson, York-no).

Mr. Johnson said when the warrant comes around for their signatures there will be 2 more warrant articles because the filers for Article #20 (Fireworks Ordinance) and Article #21 (Noise Ordinance) had previously submitted the petitioned warrant articles and did not withdraw them by the deadline and the state requires that both warrant articles be included on the warrant although they're for the same purpose.

Mrs. Johnson said there are minor differences in the articles.

Mr. Johnson said he didn't know if it was minor as he didn't compare the language. He said he assumed there are some significant changes between the two versions otherwise they wouldn't have bothered to submit the second versions. Once the Dept. of Revenue Administration approves the warrant a message will be sent to the members to come in and sign it he said.

Regular Monthly Meeting:

4). School Reports – School District Budget Update Report-Jan.'21 – Mr. Cisneros said this is the budget freeze workbook they're working on to send back \$1 million at the end of the year. He said this is the same report the School Board gets and he wanted to update the committee. Mrs. Vaughn said she is tracking the requisitions as they are approved and Mr. Cisneros is tracking the invoices as they come in. She said as of Friday she approved approx. \$65,000 in requisitions and there are some ups and downs in the remaining balance because there are some things they have been reimbursed for from grants. His number doesn't match mine and is not supposed to because my number is the previous number and his is on the other end of things she said.

Mr. Cisneros said as of the end of January after holding out the \$1 million there was about \$646,000 left to spend for the rest of the year but as of Monday that number increased to over \$700,000 because of they received some reimbursements. He said the number will grow as

money is moved into the grants but they will have some expenses too and they are not spending as much as they budgeted-barring anything catastrophic happening.

YTD Expenditure Report- Grants Special Revenue Funds (07/01/20 -06/30/21 as of 01/29/21):

Mr. Johnson asked if there was any good news from the state.

Mrs. Vaughn said they are still waiting for specifics on how things are going to line up and they haven't had any bad news from the state. She said they are cautiously optimistic that there may be more good news coming but she didn't know what framework that would be in.

Mr. Brown said there are some bills in the state legislature that haven't been voted on yet with regard to how the state is going to calculate the Adequacy Aid.

Mr. Johnson said there was a newspaper article that reported that the state education funding will be \$90 million less for each year of the biannual state budget.

Mrs. Vaughn said one thing that will affect our Adequacy Aid is that we have the vouchers from the federal government this year so all lunches are free so people aren't applying for reduced/free meals which impacts our federal entitlement grants that use that number in their calculations. She said her Administrative Assistant called 67 families that had been receiving aid to request they submit their applications and only 6 submitted their applications. She said they have reached out to people by phone, e-mail and social media and if someone is having difficulty with the application they will help them with it in person at the SAU office. They will be re-calculating the numbers at the end of Feb. and if between now and Feb. school vacation if there is a change for someone to submit the application that would be wonderful she said.

General Fund 10 – YTD Expenditure Report - (07/01/20-06/30/21):

Page 17, Lines 637-639, Site Improvements, VVCS-\$42,688; HWMS-\$77,021; FHS -\$40,579-

Ms. Tanner asked if these expenditures were for safety/security reasons.

Mrs. Vaughn said that is correct.

Mr. Cisneros said they just received \$55,000 in federal funds for this on Monday.

All Funds – Revenue Report- (07/01/20- 06/30/21): No questions or comments

School District Budget Update Report- Jan. 2021: No questions or comments

5). Review of Minutes:

January 13, 2021 – School Budget & Warrant Articles Public Hearing - No errors or omissions

Motion: (N. Johnson, second Arcouette) to accept the minutes as written passed 7-0-1 (Squires abstained).

January 20, 2021 – Town Budget Presentation & Monthly Meeting - No errors or omissions

Motion: (York, second N. Johnson) to accept the minutes as written passed 7-0-1 (Squires abstained)

January 30, 2021 – Deliberative Session Bud Com Meeting- “Jeremy” is misspelled;

Motion: (N. Johnson, second York) to accept the minutes as amended passed 6-0-2 (Squires, Brown abstained).

6). Review Town Reports:

Mr. Johnson said they are operating on the budget that is not yet voted on so until Town Meeting they pay the staff and expenses that are required and don't do anything that's optional and try to keep expenses down in case things change at Town Meeting.

Actual & Anticipated Revenues – General Fund- January 2021- Mr. Johnson said it's only been a month so they haven't gotten much revenue in and that is typical for January.

Actual & Budgeted Expenses & Encumbrance – January 2021 - Page 1, Line 01-4130-95-250 **Unemployment –Executive** (\$220 budgeted; balance remaining \$0) - Ms. Tanner said there are several lines like this and asked why they are already spent.

Mr. Johnson said that is an insurance payment. He said the Town gets a bill from Primex to pay for unemployment insurance and they pay the bill in January and allocate it out to each dept.

Detailed Statement of Accounts – General Ledger – January 2021 -(School District Payments)
No questions or comments.

Remittance Report – 01/01/2021-01/31/2021 – No questions or comments.

7). Old Business:

Responses to Town Budget Presentation Questions – Mr. Johnson said he responded to the questions from the Jan. 20,2021 meeting as follows:

1). Provide a list of budget increases the Town has no control over and how much of an expense to the Town those increases are.

Mr. Johnson said this year the increase is approx. \$177,000 that has been covered by the existing budget for the increases in the Police and DPW union contracts, insurance, lease payment for the new fire truck and the elderly tax exemption.

He said in addition to cutting the budget by \$85,000 there was \$177,000 in increased costs so close to \$250,000 was covered by the reductions in the budget.

2). Provide Copies of the Water and Sewer Budgets – copies of the budgets were provided

3). Revenue Projections for School Gasoline and Diesel – Mr. Johnson said the auditors recommended that the Town purchase the fuels and sell it to the School District at cost plus 1 cent so it is a pass-through and is not part of the Town budget and they are shown as zero in the operating budget. He said they keep track of what the school uses, bill them direct, they pay for it and it passes through and doesn't affect the operating budget.

10). Next Meeting: Wednesday, March 24, 2021 at 7 p.m.

11). Water Expenses Report – Jan. 2021-Dec. 2021:

Page 1, Line 02-4331-10-190 Personnel Liabilities - Mr. Squires asked about the amounts listed next to the employee names under this line.

Mr. Johnson said those numbers represent the amount of long term payments to be made to them for vacation, sick time, etc. if they were to leave employment with the Town. He said it is

part of the budget but it is not in the operating budget because it is an Enterprise Fund and has little to do with the Budget Committee.

12). Adjournment:

Motion: (Arcouette, second Squires) to adjourn the meeting passed 8-0 at 7:03 p.m.

Respectively submitted
Kathleen Magoon
Recording Secretary

Elizabeth Johnson, Vice Chairman