

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

Committee Members Present:

Sylvia Arcouette, Chairman
Jodi Connolly, Vice Chairman
Elizabeth Johnson, Secretary
Neil Johnson, Selectmen's Rep.
Angie Cardinal, School Board Rep.
Stephen Henry
Samantha Place
Heidi Mitchell
Jason Lauze
Tim Brown

Others Present:

Arthur Capello, Town Administrator
Charlie King
Blanche Tanner

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). Application for Committee Membership:

Chairman Arcouette said she received an application from Charlie King requesting that he be appointed to the committee in place of the late Sam Cataldo. She then called for a motion.

Motion: (N. Johnson, second E. Johnson) to nominate Charlie King to take Sam Cataldo's seat effective until the 2019 elections;

Mrs. Cardinal called a point of order. She asked if the committee members were aware of the laws that state that committee business cannot be discussed with a quorum of the committee outside of the posted meetings.

Chairman Arcouette said she thought the members were aware of the law and asked why Mrs. Cardinal asked the question.

Mrs. Cardinal said she overheard entire conversations about who to nominate for chairman and committee business with six members present.

Mr. Johnson said a question was asked regarding if anyone was interested in being committee chairman.

Mr. Capello said the committee can talk about it but they can't make decisions outside of the meeting.

Mrs. Cardinal said she did not think that was the intention of the law. She said they can't make motions and pass them but they also can't discuss them with a quorum of the board outside

the meeting. Discussion by a quorum of the committee renders committee motions and votes ineffective she said.

Chairman Arcouette said she was not a part of the discussion before the meeting.

Mrs. Cardinal said she heard all six voices discussing the matter. She said she was very disheartened to walk into the building and hear committee business being discussed in a quorum outside of the posted meeting time. She said that is not the law and then yielded the floor.

Mr. Lauze asked if anyone spoke with Michelle Elbert, who ran for reelection to the committee, and asked her if she was interested in taking the vacant seat.

Mr. Johnson said anyone interested in filling the vacant seat must submit an application and then be appointed by the committee.

Mr. Lauze asked if there was a certain timeframe to submit the application.

Mr. Johnson said a seat is open to nomination whenever a vacancy occurs.

Chairman Arcouette then called for a vote on the motion.

Vote: The motion passed 6-4.

Mr. King asked if he needed to be sworn in first before joining the committee.

Chairman Arcouette said he would need to be sworn in before taking the seat.

Mr. Capello said the Selectmen also have the authority to swear in board members.

Mr. Johnson asked Mr. Capello to provide the paperwork and the oath of office to perform the swearing in of Mr. King.

Mrs. Place asked if Mr. Johnson would also notarize the paperwork as was done when she was sworn in by the Town Clerk.

Mr. Johnson said the Town Clerk would notarize his signature the next day. He noted that Mr. Capello is also a notary.

Mrs. Cardinal asked if the appointment of Mr. King was discussed by the six members before the meeting.

Chairman Arcouette said the application was left at her home and has been in her possession and was not shown to anyone until tonight. She said she mentioned that there was an appointment to be added to the agenda tonight and someone asked her who it was.

Mr. Henry said he asked how many applications were received for the open seat which is public information.

Chairman Arcouette said that Mr. King's application was the only application that was received.

Mrs. Cardinal asked if the details of the appointment were discussed among the six members present before the meeting started.

Chairman Arcouette said no details were discussed.

Mr. Henry asked what details there are to be discussed.

Mrs. Cardinal said the details would include if the members planned to vote in favor or opposed to the appointment.

Chairman Arcouette said she would not ask that question.

Mr. King then came forward and was sworn in by Mr. Johnson.

4). Committee Reorganization:

Chairman Arcouette said she sent an e-mail to the Selectmen's Secretary asking her to add the committee appointment and the reorganization to tonight's agenda but it seems that she did not receive it.

Chairman Arcouette called for nominations for Chairman.

Motion: (Connolly, second Henry) to nominate Sylvia Arcouette as Chairman;

Chairman Arcouette asked if there were any other nominations for Chairman.

Motion: (E. Johnson, second N. Johnson) to nominate Charlie King as Chairman;

Mr. King refused the nomination.

Motion: (Lauze, second Mitchell) to nominate Tim Brown as Chairman;

Discussion: Mrs. Cardinal asked the nominees about the extent of their experience as a Chairman and any training they have on running effective meetings.

Mrs. Arcouette said she has been a member of other boards/committees and has held other Chair, Vice Chair and President positions.

Mr. Brown said his 30 years of municipal employment as well as his training with the Local Government Center speaks for itself.

Mrs. Cardinal asked the nominees what they think makes them the best chairperson for this committee.

Mrs. Arcouette said it is her dedication to the Budget Committee and all of her years of serving the committee, in Town politics and other committees.

Mr. Brown said he did not know if he would be the best chairperson as he has never been one but he will give it his best shot. He said he stays on the numbers, researches issues and looks out for the taxpayers.

Mrs. Cardinal asked what the nominees thought is the most important thing the chairperson has to do as opposed to any other member of the committee.

Mrs. Arcouette said her job as chair is to make sure that the agendas get out, that people are notified of meetings and to keep the organization in perspective.

Mr. Brown said it is the chair's responsibility to keep the meetings going, giving everyone a fair shot at speaking and keeping it civil.

Mrs. Arcouette asked Vice Chairman Connolly to call for the vote on the nominations.

Mrs. Connolly called for the vote on Mrs. Arcouette as Chairman;

Vote: The motion failed 5-5.

Mrs. Connolly then called for the vote on Tim Brown as Chairman.

Vote: The motion failed 5-5.

Mr. Capello said that Mr. Brown voted for Mrs. Arcouette and against himself and asked him if he did not want to accept the position.

Mr. Brown said he would withdraw from the nominations.

After some discussion about the results of both votes Mrs. Connolly said Mr. Brown has withdrawn from consideration and called for another vote on Mrs. Arcouette as Chairman.

Vote: The motion to nominate Mrs. Arcouette passed 7-4.

Vice Chairman-

Motion: (Arcouette, second Henry) to nominate Mrs. Connolly for Vice Chairman;

Mrs. Cardinal asked for a point of order. She asked when the agenda got taken out of order.

Chairman Arcouette said that she stated at the beginning of the meeting that she had sent the new agenda to the Selectmen's Secretary but it didn't get printed. When the members came in she said she announced that the agenda had been changed because there were other matters that needed to be taken care of, one of which was the reorganization which is done at the next committee meeting after the Town elections.

Mrs. Cardinal asked if individuals are appointed before the reorganization of the committee.

Chairman Arcouette said appointments are usually made right after the Pledge of Allegiance.

Mr. Johnson said if someone applies for a seat the appointment is decided first so they can get on the board and be included in any decisions.

Mrs. Cardinal suggested she may be "sensitive" to how meetings are supposed to run and that is a clear reason why she voted in favor of a new chairperson of this committee.

Mrs. Cardinal asked if Chairman Arcouette could take a step back and look at how this meeting has been going up to now. She said business was discussed before the meeting started and on top of that...

Mr. Brown said that before Mrs. Cardinal throws allegations the only comment he made in the room was to the Chairperson asking her to put on the agenda that a Capital Improvement Plan Committee (CIP) rep replacement is needed.

Chairman Arcouette asked the members to cease their discussion.

She said that she did not speak to anyone about the elections and that her conversation before the meeting with Mrs. Connolly was regarding her recent medical concerns.

Vice Chairman Connolly asked if the members could stop being contentious and to move the meeting along.

Mrs. Cardinal said that of course they would like to move the meeting along because everything is going as they would like it to even though it is illegal.

Chairman Arcouette said agendas can be changed.

Mrs. Cardinal repeated that discussing committee business with a quorum of your committee before the posted time is not legal.

Chairman Arcouette said she did not discuss that with anyone at the table. She said if Mrs. Cardinal heard any discussion from her it was with Mrs. Connolly and it was a private conversation.

Mrs. Cardinal said that is not what she heard and that Mr. Brown just admitted that he

discussed committee business and that would be the representative for the CIP committee. Chairman Arcouette said Mr. Brown asked her to put the CIP replacement on the agenda and that she asked him to remind her if she forgets to do so.

Mrs. Cardinal said this is not the first time that something like this has happened. She said she can't just keep her mouth shut over these things.

Chairman Arcouette said she was not asking Mrs. Cardinal to keep her mouth shut but that she was wrong about her conversation before the meeting. She then called for any other nominations for Vice Chairman.

There were no other nominations.

Vote: The motion to nominate Mrs. Connolly as Vice Chairman passed 7-3 (Lauze abstained). Chairman Arcouette then called for nominations for Committee Secretary.

Motion: (Henry, no second) to nominate Mrs. Johnson as Secretary;
Mrs. Johnson refused the nomination.

Motion: (Connolly, second E. Johnson) to nominate Mr. Henry for Secretary;
Mr. Henry refused the nomination.

Mrs. Cardinal asked about the responsibilities of the Secretary and added that she has never seen any Bud Com bylaws.

Chairman Arcouette said there are no Budget Committee bylaws as the committee operates by the RSA's. She said one duty of the Secretary would be to take notes of the Bud Com meeting held before the School District Deliberative Session.

Mrs. Johnson said the Secretary would also run the meeting if the Chair and Vice Chair were both absent from a meeting. She said the Secretary would also handle any mail that comes in.

Mr. Henry asked if the Recording Secretary was unavailable to take the meeting minutes if the Secretary would be asked to do so.

Mrs. Johnson said that with the availability of video recordings of the meeting the Recording Secretary could take minutes from the videos.

Mr. Henry said that in spite of the prestigious title he would be willing to let the committee bequeath it upon someone else.

Chairman Arcouette said that occasionally if something happens during meeting she might ask the Secretary to see that some information gets to the Selectmen's Secretary.

Mr. Henry then said if no one else was interested in the position that he could handle it.

Motion: (Connolly, second E. Johnson) to nominate Mr. Henry for Secretary;

Chairman Arcouette asked if there were any other nominations for Secretary. Hearing no other nominations or discussion she called for the vote.

Vote: The motion passed unanimously.

Representative to the CIP Committee- Chairman Arcouette asked for a volunteer rep to the CIP Committee.

Vice Chairman Connolly asked about the purpose of the committee.

Mr. Capello said the members try to forecast out 10 years of major expenses such as fire trucks, highway equipment and major building repairs and setting aside funds in Capital Reserve Funds for those purchases/repairs. The CIP Committee will make recommendations to the Selectmen about the purchases and how much money to set aside each year and then the recommendations go forward to Town Meeting in the form of warrant articles with the CIP/Selectmen's recommendation for the article. If approved by voters the recommended amount will be deposited in the CRF he said.

Mrs. Connolly asked for the makeup of the CIP Committee.

Mr. Johnson said there is representative of the School Board, the Bud Com and two reps for the Board of Selectmen.

Mr. Capello said the members also include himself, SAU Superintendent Ruth Ellen Vaughn and a rep from the Planning Board. The dept. heads give their recommendations for their depts. but are not members of the committee. The Town Planner will also be attending some of the CIP Committee meetings he said.

Mr. King said the recommendations are advisory and the respective governing bodies will consider the committee recommendations and then make their recommendations to Town/School District Meeting for money to be put into those accounts. He said sometimes the CIP numbers may be higher than reflected on the warrants which may be due to the tax rate or the financial situation of the Town. Their recommendations are not binding he said.

Mrs. Connolly asked when the committee meets.

Mr. Capello said there is no set date and time and the next meeting is set by the members at each meeting. He said meetings usually run once a month from August through March and most recently have been held at 4 p.m. due to the paid staff that attend the meetings.

Mr. Brown said he would be the rep for another term unless there is someone else interested in representing the Bud Com.

Motion: (E. Johnson, second Henry) to nominate Mr. Brown as the Bud Com rep to the CIP passed 7- 0-3 (Mitchell, Cardinal, Brown abstained).

Mr. Brown said it was his understanding that there can be two Bud Com reps to the CIP and if the meeting time changes another interested member can also represent the Bud Com.

Mr. Henry volunteered to be the second rep to the CIP if the committee.

Motion: (Connolly, second Lauze) to appoint Mr. Henry as the second Bud Com rep to the CIP Committee passed 8-1-1 (Henry opposed, Cardinal abstained).

5). Public Comment:

Ms. Tanner said she must say something about the committee reorganization discussion. She said when people look at the town and see that discussion they are not going to want to come to Farmington because they will say "Those people can't get along with each other, why would we want to go there?" We all have a right to our opinion but how we say it to each other makes a big difference on how people view the town and all of us she said.

She added that with the ceiling fan on it is sometimes difficult to hear and asked the members to keep that in mind when speaking.

Mr. Henry suggested Ms. Tanner give the "I can't hear you" signal with her hand cupping her ear to let the committee know someone is not being heard.

Mrs. Connolly left the meeting at 7:30 p.m.

6). Review of Minutes:

February 28, 2018 -

Motion: (N. Johnson, second E. Johnson) to accept the meeting minutes as written passed 7-0-3 (King, Cardinal, Place abstained).

7). Review Town Reports:

A). Remittance Report(1/01/18-2/28/18):

Mr. Capello said that the MS 232 form which contains the appropriations actually voted at Town Meeting was sent up to the NH Dept. of Revenue Administration on the previous day.

Ms. Mitchell asked how long it takes to get a response from the state regarding the form.

Mr. Capello said it usually takes about a week to hear to hear back from the state. He said he was not anticipating anything being rejected.

Ms. Mitchell asked about what types of issues the state may have with the form.

Mr. Capello said it may concern putting a number into a different line item or if a warrant article is rejected making it null and void.

B). Actual & Anticipated Revenues Report, General Fund (March 2018):

Mr. Capello said he had nothing to report except that he has seen a lot of new car registrations coming into Town Clerk's office.

Page 5, Line 01-3503-10 Rental of Town Hall -Mrs. Place asked about huge difference from the prior year revenues for rental of the building (\$490) and this year's current budget(\$5,000).

Mr. Capello said in past years about \$5,000 in revenue has been brought in from rental of the building. He said he would have to check on why the prior year revenues were so low.

Mrs. Place asked if the church and the Town Players that use the building pay the rental fee.

Mr. Capello said it would depend on whether the groups had applied for a waiver of the rental fee. He said Grace Community Church pays the fee and the Town Players applied for a rental waiver except for the actual performances. Everyone pays the staffing fee he said.

Mrs. Cardinal pointed out that the report shows period revenues which compare this time period last year to this period this year.

Mr. Capello said last year in this period (through March) \$490 was brought in and this year through March \$800 has been received.

Mrs. Place asked if this report included the total revenues for last year versus this year's projected revenues.

Mr. Capello said that information could be found in the Annual Report.

Mr. King asked if the \$490 referred to by Mrs. Place was a to-date amount.

Mrs. Place said it is the paid to date number for this time last year. This year the number is \$800 she said.

C). Actual & Budgeted Expenses & Encumbrance Report, General Fund (March 2018):

Mr. Capello said the Town has received the insurance estimate for the plow truck that burned the morning of Town Meeting. He said they are reimbursing approx. \$64,000 to the Town for the truck, wing and sander and that the Town paid \$73,000 to purchase the truck. The town has received the breakdown from the adjuster but the check has not been received yet he said.

Mr. Johnson said that the amount is significantly more than expected as Mr. Capello had previously estimated the Town would receive about \$40,000 for the truck.

Chairman Arcouette asked if a new truck has been ordered.

Mr. Capello said they have not started to look for a new truck yet.

Ms. Mitchell asked if the \$73,000 purchase price included the truck and the attachments or if it was the base price for the truck and the Town paid extra for the plow wing and sander.

Mr. Capello said the \$73,000 included the truck and the attachments and it was purchased in 2015.

Mr. Johnson asked if anything was salvageable from the truck.

Mr. Capello said nothing is salvageable, the truck has been deemed a total loss and the insurance company is coming to take the whole truck away.

Mr. Henry asked if the town ended up outfitting the old flat bed truck with a plow.

Mr. Capello said the flat bed was outfitted and joked that the Town didn't get expected snow storm because the old truck was outfitted and ready to go.

Mr. Brown asked if the insurance company included any two-way radios that may have been in the truck in the reimbursement price.

Mr. Capello said he did not think there was a two-way radio in that truck and that a portable unit was being used.

Mrs. Place asked if the cause of the fire has been determined

Mr. Capello said the truck was too far gone to determine the cause. The insurance company sent out an independent investigator who was unable to determine the cause he said.

Mr. Henry asked about the status of the plowing/salt budget.

Mr. Capello said the beginning of the season was tough and they hope that we are now finished with snow for the season. He said the budget is expected to be on track or slightly over if we are done for the year.

Mrs. Place asked if the November/December salt/plowing budgets come out of the 2018 budget.

Mr. Capello said that it comes out of this year's budget and noted that in the fall they weren't plowing in town but were salting the dirt roads up on the ridge due to the freezing rain.

D). Actual & Budgeted Expenses & Encumbrance, Parks & Recreation (March 2018):

Line 04-4589-11-260 Recreation Workers' Comp (\$4,915 budgeted, \$5,434 expended) Mrs. Place asked if the line item for Workers' Comp depicted the expense for premium payments and if there is anyone actually out on the benefit program.

Mr. Capello said the line shows the premium payments and no one is currently out on Workers Comp in the Rec. Dept. He said any premium increases for an employee out on the program wouldn't show up until next year's budget.

8). Review of School Reports:

A). All Funds- Revenue Report (2/1/2018-2/28/2018):

Mr. Brown said that three months ago he asked if the School District has ever passed a warrant article that allows the School Board to accept local, state or federal revenues. He said he is still waiting for an answer and asked if the issue was ever looked into.

Mrs. Cardinal said Mr. Brown's question was not clear to them. She said that every year Warrant Article 3 adopts the operating budget. The reason why there is such a big difference between the bottom line of the operating budget and the amount needed to raise and appropriate is to account for accepting state and federal funds she said.

Mr. Brown said that in order to accept state and local funds you need either of 2 processes. He said the Town adopted a warrant article that remains in effect until it is revoked by the voters. The School District is required to do the same thing or have a warrant article that authorizes the School Board to accept the state, federal local funds for that particular year.

He then asked for a copy of the warrant article adopted by voters authorizing the School Board to accept such revenues. He said the Business Manager will know what he is talking about as the board can't spend money from a grant if you don't have the authority to accept it.

Mr. King asked Mr. Brown to explain his question again and Mr. Brown did so.

Mrs. Cardinal said that Mr. Brown is not satisfied with her answer so she will go back and ask the School Board again.

Mr. Brown said Mrs. Cardinal's answer spoke to the operating budget and that he knows what an operating budget is. He said you can't apply for a grant mid-year that wasn't discussed during the budget process and spend that money unless that warrant article has been passed.

Ms. Mitchell asked if that applies to every grant that is requested.

Mr. Brown said it is if they don't discuss spending money during the budget process and unless you have that warrant article you can't spend that money legally. It is a blanket warrant article that remains until revoked and that the Town warrant article was passed in the 1990's he said.

Mr. King suggested Mr. Brown's request be put in a letter to the School Board Chair and the Superintendent so they would have the exact question that Mr. Brown is seeking an answer for.

Mrs. Cardinal said Mr. Brown has phrased the question differently this time and that a letter would not be necessary.

Mr. Henry asked Mrs. Cardinal if there was anything to highlight in the Revenue Report.

Mrs. Cardinal said there was no unexpected receipt of revenues or any expected revenues that weren't received for this report.

B). Year to Date Expenditure Report (2/1/2018-2/28/2018):

Mr. Henry asked Mrs. Cardinal if there was anything to highlight in this report.

Page 5, Lines 118-120, Salaries, Para's, Spec. Ed. - Mrs. Cardinal said there are several vacancies in the Special Education Para lines so the lines are under expended.

Mr. Henry said it doesn't seem to be a lot left in those lines and asked if the Para salaries are encumbered like the teachers' salaries are.

Mrs. Cardinal said the Para salaries are encumbered.

Ms. Mitchell asked if a substitute can be used for a Para and if the substitute teachers' lines would increase when the Para lines decrease.

Mrs. Cardinal said that would happen with teachers but that you wouldn't see it with the Para's because the person assigned to the student must match their Individual Education Program (IEP). If they can't accommodate the student with the correct Para they have to find other ways to accommodate those students she said.

Mr. Johnson asked if there are substitutes for Para's.

Mrs. Cardinal said it would have to be a special situation like Para's who serve a whole classroom such as for the Title One Program but otherwise the Para needs to be certified to meet the student's IEP.

She said this is the major reason why there were reduced hours for Para's and for piecing them together when the child is there longer than their one-on-one Para. That was why there was a huge disconnect in terms of being able to accommodate these children and their IEP's effectively she said.

Mr. Henry asked how long the Para vacancies have been vacant.

Mrs. Cardinal said she did not know the details for all of the positions but that one position has been vacant all year. She added there is a shortage of Para's across the state so services had to be used.

Mr. Henry asked if there is a shortage of Para's in general or those with specific skills.

Mrs. Cardinal said there is a general shortage of Para's across the state.

She then thanked Mr. Johnson for providing the detailed information on the School Resource Officer which will help the School Board to effectively budget for the amount that will be needed for the officer's salary.

Mr. Johnson said the amount shouldn't be much of a difference than with the previous School Resource Officer's with the change in salary and the reduced medical benefits balancing each other out.

C). Year to Date Expenditure Report, Grants Special Revenue Funds (printed 2/28/2018):

Mrs. Cardinal said the revenues are pretty much on track.

Page 16, Grand Total - Mr. King said the percent remaining is 37.80% and asked if that is of the

expected revenues.

Mrs. Cardinal said this report is just of the special revenues and they do not follow the School District's fiscal year. They are rolling revenues and each grant has its own pay out date she said.

Mr. King asked if 37% is normal for the amount remaining to be received for one period.

Mrs. Cardinal said the amounts collected fluctuate.

Mr. King asked if the report is structured for when the revenues are supposed to come in.

Mr. Johnson said this particular report is not structured that way as the money comes in from the federal government and it can come in at any time.

Mrs. Cardinal said the percentage will go up and down from month to month and is not like the other reports which show funds getting spent incrementally.

Mr. Henry asked about the status of the FAMEE grant for next year.

Mrs. Cardinal said the district has applied for the grant and is awaiting the results.

Mr. Henry asked if it is known when the district is likely to hear back about the grant.

Mrs. Cardinal said they have not been given a response date and noted there is a lot of uncertainty and instability with the federal funding for public schools. She said they applied for the full 5 year allotment and that she is not too optimistic about the results.

Mr. King asked if this year is the 5th year of the current grant and if it has been funded.

Mrs. Cardinal said this is the 5th year of the FAMEE grant and the after school program has been funded through June 30. We are trying to set up funding for next year she said.

Mrs. Cardinal then said at the last meeting there was a question about the Life Safety Grant. On February 19 the School Board approved up to \$30,000 to be expended for the 20% match to the grant to be used for infrastructure safety improvements. She said she could not go into details about exactly what the improvements entail because it would compromise the emergency response plan. The amount that was applied for will equate to only \$14,000 for the 20% match and the 80% will come from the safety fund she said.

Mr. Henry asked why they only applied for that much.

Mrs. Cardinal said there was a safety audit done during the first week of March. Improvements slated by the leadership committee matched the audit and then was priced out and found to equate to \$14,000 for the 20% match to the grant. The money wasn't planned with its own line item but will be accommodated through the insurance savings she said.

Mr. Brown said the details of the Life Safety plan shouldn't be discussed in open session but could be discussed in general. He noted that it was discussed in Feb. 2018 and asked if it was ever discussed during the budget process.

Mrs. Cardinal said there are line items in the budget for physical security.

9). Old Business: None

10). New Business: None

11). Next Meeting: Wednesday, April 25 at 7 p.m.

Mr. Brown said he will be out of town for the next meeting.

12). Adjournment:

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

Respectively submitted

Kathleen Magoon

Recording Secretary

Sylvia Arcouette, Chairman