

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, April 25, 2018

Committee Members Present:

Sylvia Arcouette, Chairman
Stephen Henry, Secretary
Neil Johnson, Selectmen's Rep.
Angie Cardinal, School Board Rep.
Elizabeth Johnson
Charlie King
Jason Lauze
Heidi Mitchell
Samantha Place

Committee Members Absent:

Jodi Connolly, Vice Chairman
Tim Brown

Others Present:

Arthur Capello, Town Administrator
Resident 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). Public Comment:

Ms. Tanner asked if she should ask questions about the Town or School budgets during the Public Comment portion of the meeting or when that budget is being discussed.

Chairman Arcouette said questions may be asked during the Public Comment portion or during the rest of the meeting when recognized by the Chair.

4). Review Minutes:

March 28, 2018 – No errors or omissions

Motion: (N. Johnson, second E. Johnson) to accept the minutes as written passed 8-0-1 (Henry abstained).

5). Review Town Reports:

A). Actual & Budgeted Expenses & Encumbrance Report, General Fund (as of 4/18/18)-

Page 1, Line 01-4130-10-243, Town Training (\$300 budgeted, \$313.38 expended)- Mrs. Place asked what is included in this line and why it is already over budget.

Mr. Capello said this line includes staff training for Primex insurance, seminars offered by the NH Municipal Association and some additional training sessions requested by the staff. He said that they pay for the sessions ahead of time and there is one more class in November.

Line 01-4130-10-550, Town Printing (\$3,100 budgeted, \$1,934 expended)- Mr. King said 37% of this budget is left and asked if Mr. Capello if thought this line will be over spent.

Mr. Capello said he thought the remaining \$1,165 in the line item would last through the rest of the year. He said some of the expense is for printing the Annual Town Report.

Page 3, Line 01-4155-30-190 Wage Adjustments (\$28,000 budgeted, \$0 spent) - Mr. King said this money is set aside for pay raises and asked when the employee evaluations will be done. Mr. Capello said he expected the evaluations to be conducted in May.

Mr. King asked if the wage increases would be retroactive to Town Meeting.

Mr. Capello said the raises would be retroactive and that Town Policy calls for the evaluations to be done by Selectmen in April/May. That is when this line will start to be reduced he said.

Line 01-4194-10-411, Fuel Town Bldgs. (\$23,000 budgeted, \$20,999 expended)-Mrs. Place noted that only 8% of this budget line remains.

Mr. Capello said this line is actually over spent and explained that he was working from an updated copy of the report printed the previous day. He said the over expenditure is due to the cold winter and some major issues with the furnaces at the Rec. Dept. and Municipal Office Buildings. A new service person was hired and hopefully those issues have been solved he said. Chairman Arcouette asked for the over expenditure figure.

Mr. Capello said the line item is currently over spent by \$136.05.

Mr. King asked for a projected total over expenditure for this line for the year.

Mr. Capello said he estimated that the line would over spent by \$1,500 - \$2,000 depending on how the next fall/winter season goes.

Mr. Henry said the \$23,000 line is already over spent and questioned Mr. Capello's projection of an additional expenditure of \$1,500-\$2,000 with three to four cold months at the end of the year. He asked if the fuel tanks are currently full.

Mr. Capello said the fuel tanks are now full.

Mr. Johnson added that there is also a heat pump for the Municipal Building which supplies heat for the building in October and November until the temperature falls below 30 degrees and then the oil furnace kicks in.

Line 01-4194-10-630, Supplies Town Bldgs. (\$4,500 budgeted, \$2,495 expended) - Mr. King said 44% of the budget for this line remains and asked if the expenses will remain "on budget".

Mr. Capello said he expected to remain on budget for this line. He said that last year he froze this line and that they had to restock the things they ran low on at the beginning of this year.

Page 4, Line 01-4210-10-344, Police Dispatch-Prosecution (\$31,250 budgeted, \$31,244 spent)-Mrs. Place noted this line is spent and asked what the expenditure is for and if it is the same amount for the Fire Dept. for this item.

Mr. Johnson said this was a one-time expense from Strafford County Dispatch paid by the Town each year for county dispatch services which includes the Police/Fire 911 emergency services.

Page 6, Line 01-4220-60-635 Fire Dept. Gas and Line 01-4240-10-635 Codes Gasoline- Mr. King asked if these two depts. have the WEX fuel cards used by the Town for gasoline purchases.

Mr. Capello said the Building Inspector does not have a WEX card and that the Fire Dept. does

use the card. He said the gasoline purchases are billed directly to the Fire Dept. based on the WEX card billing.

Mr. King said the gasoline lines for Fire Dept. (41% remaining) and Codes (55% remaining) will probably be over spent.

Mr. Capello said the Fire Dept. diesel line would be more relevant for the dept.'s fuel expenses as their vehicles are diesel powered with the exception of the Chief's car and some small equipment which use gasoline.

Mr. King said he didn't know if it is usage or pricing related but he is seeing a trend in the budget where three or four other gasoline lines are over expended for this point in the year.

Mr. Capello said they budgeted for \$2.50 per gallon and that he did not have a clue as to what will happen with gasoline prices with the way it keeps going up.

Mr. Lauze said the gas usage for Code Enforcement would be up if there are more permits and other inspections performed by the Building Inspector. He said the costs could be offset by the fees taken by the dept. but it is difficult to budget for as one year may be busier than another.

Mr. Capello said budgeting for the Building/Codes Dept. is a "guess-timate" and that he intends to bring forth a warrant article to Selectmen for the 2019 Town Meeting to amend the Special Revenue Fund that pays the Building Insp.'s salary to include all of the expenses for the dept.

Mr. Johnson said that the Building Insp. also must respond to complaints and there is no income from that.

Mrs. Place asked if the Fire Chief drives the command vehicle to and from home, where he lives, how long he has been Chief and if this cost is paid from the Fire Dept. gas line.

Mr. Capello said the Chief lives in Wakefield and has been the Fire Chief for four years and the gasoline for this use is paid from that line. He said that both the Police and Fire Chiefs have take-home vehicles as part of their contracts.

Page 9, Line 01-4324-10-410 Landfill Electricity (\$3,200 budgeted, \$1,443 spent)- Mr. King said this is a monthly bill and that half of the budget for this item has been spent. He said he did not know what is different from last year but there is potential for this line to be over spent and suggested Mr. Capello ask if things are being left on after the close of business.

Mr. Johnson said that daylight savings time would make a difference because during January through March if the depts. are open until 5 p.m. they would have the lights on. For the next four or five months they shouldn't be using much electricity for lighting he said.

Line 01-4414-20-833, Sheltering Animals (\$1,500 budgeted, \$0 spent) - Mrs. Place asked when the Police pick up animals and bring them to the animal hospital if the hospital charges the Town to house them.

Mr. Capello said it depends on how long the animal remains at the facility. He said this line is also for the sheltering large animals such as horses that can't be sheltered locally and have to be sent to a facility outside of town. He said the owner would be billed for the services provided but they may not receive any payment.

Page 12, Line 01-4659-50-835 Coast Bus Operation (\$25,074 budgeted, \$19,070 spent) – Mr. King asked if the Town’s contribution has been reduced to the \$19,070 spent.

Mr. Capello said this is what has been paid so far and there will be another bill from Coast this year which will show the credit earned towards the bill from advertising revenues generated in Farmington. He said the company is on a different fiscal year and billing cycle than the Town.

Page 13, Line 01-4912-60-960 and Line 01-4915-60-960, Depreciation Wastewater- Mr.

Johnson noted this line item is listed twice on this page- once under Capital Outlay Improvements Other Build and once under Transfer to the Capital Reserve Fund and asked if this is an accounting error or typo.

Mr. Capello said he will get an answer for Mr. Johnson.

B). Actual & Budgeted Expenses & Encumbrance- Parks & Recreation (as of 4/18/18) -

There were no questions on this report.

C). Remittance Report (1/1/18- 3/31/18) -

Front Page Note- Mr. King said the handwritten note on Page 1 says that not all revenues go through the Town Clerk’s Office (i.e. ACH from state agencies) and asked who wrote the note.

Mr. Capello said that Town Clerk Kathy Seaver wrote the note and there should be a separate report from Financial Administrator Pam Merrill for the revenues that go through her office.

Mr. Johnson explained the ACH (electronic payments between banks) from state agencies use to go to Mrs. Seaver but are now recorded by Mrs. Merrill.

Committee members noted there was no report from the Financial Administrator.

Mr. Capello said he would find out why it was not included in the members’ meeting packets.

Truck Replacement - Mr. Henry asked if the Town has gone out to bid on a replacement for the Highway Dept. truck that burned.

Mr. Capello said the RFP was approved by Selectmen Monday night and will go out next week.

6). Review School Reports:

A).YTD Expenditure Report (as of 3/30/18) -

Page 9, Line 231, Salaries Athletic Xtra Curr. – Mr. King said the report shows an amount of \$13,870 expended for the current period and asked what these funds are for.

Mrs. Cardinal said these funds are the stipends for athletic coaching for the entire school year. Those funds should not be over expended and the board has an inquiry into making sure the charges weren’t made to the wrong account numbers she said.

Mr. King asked if these funds are dispersed twice a year.

Mrs. Cardinal said they are paid at the end of the season.

Page 13, Line 337, Salaries, Psychologist – Mr. King asked if the Psychologist line included the salary for one full time position.

Mrs. Cardinal said that is correct.

Line 346, Salaries, Speech Pathologists- Mr. King asked if this line included two full time Speech Pathologists.

Mrs. Cardinal said the line includes multiple positions but she could not recall if they are all full time positions.

Line 347, Salaries, Speech Therapists- Mr. King asked if this line was for one full time Speech Therapist.

Mrs. Cardinal said there are two Speech Therapists- one at the elementary school and one at the middle school (one full time position and one part time position).

Page 17, Line 449, Audit, School District- Mr. King asked if this is a once a year item.

Mrs. Cardinal said this is an annual item at a pre-negotiated rate.

Page 24, Line 616, Snow Removal – Mr. King said \$36,500 was budgeted and \$44,324 was spent and asked if the contract is for snow removal on an “as needed” basis.

Mrs. Cardinal said the contract is for a per storm rate based on the previous year’s need.

Mr. King asked if the contract goes out to bid on an annual basis.

Mrs. Cardinal said the work is sent out to bid annually.

Mr. King asked who provided the snow removal service this season.

Mrs. Cardinal said the work was done by Arthur Cardinal who recently took over the plow business.

Page 26, Lines 677 - 679, Supplies, Custodial VVCS, HW, FHS – Mr. King said the period expenditure is approx. 25% of what was budgeted and asked if this typical for this time period.

Mrs. Cardinal said she did not know the answer to Mr. King’s question as they don’t track the time of year that custodial supplies are purchased as the expenditures are based on a replenishment system.

Mr. King said if they continue to use this amount on a monthly basis they will be over budget.

Mrs. Cardinal said the supplies are purchased in bulk amounts but she did not know if the items are purchased on a monthly, bi-monthly or quarterly basis.

Line 691, Utilities, Electricity, HW – Mr. King the electricity expense for the Henry Wilson School (\$8,300) is \$2,200 more than the high school and \$5,000 more than the Valley View Elementary School and at the current pace will be way over budget. He said the adopted budget was \$56,315 and the expenditure was approx. \$2,000 more in the last pay period than was budgeted.

Mr. Lauze noted that the district just went through the more expensive months of the year for heat and the darkest period of the year and the middle school is an older building while the high school is a significantly newer building.

Mr. King said that compared to the other two buildings the electricity cost for the middle school seems to be out of whack and that he was bringing the matter to Mrs. Cardinal’s attention. Chairman Arcouette asked about the separate utility bill for the SAU office which is located in the elementary school.

Mrs. Cardinal said the SAU expenses must be separated out from the school building under a different account number in the budget.

Mr. Henry asked if there is a separate electric meter for the SAU wing from the school building.

Mrs. Cardinal said she would get an answer for the committee.

Mr. King said there is no electricity charge for the SAU for this period and suggested there is no separate meter. The charges for the SAU electricity use would be estimates unless the cost is pro-rated by the space use or the bill has not been received he said.

Mr. Henry asked if the SAU must still rent space from the district.

Mrs. Cardinal said there is no separate bookkeeping for use of the space for the SAU and there is no rent bill paid from the SAU to the district.

Mrs. Cardinal said when reading the account numbers in the report, the ones that say "00" before the "66" in the line item number indicates "district wide", "11" indicates Valley View Elementary School, "12" is Henry Wilson School, "30" is the high school and the SAU is "70". (i.e. - Line 10-2620-56220-12-66-00000 indicates the electricity budget line for the Henry Wilson School).

B). YTD Expenditure Report- Grants Special Revenues Funds (as of 3/30/18)-

Mrs. Cardinal said the members previously requested information about the warrant article that would allow the School District to accept grants. She said the minutes of the school district meeting state that the voters approved the article (Article 12) in 1999 before the district began using the SB2 district meeting process.

Chairman Arcouette asked Mrs. Cardinal to e-mail her a copy of the minutes so that she can distribute the information to the committee.

Page 1, Line 5 (20-2100-56100-30-00-50401 Supplies Parent Engagement, FHS and Line 6 (20-2100-56400-30-00-50401) Books Parent Engagement – Chairman Arcouette asked what these lines are for.

Mrs. Cardinal said this is a grant that is specifically to improve parent engagement. This is important for Title 1 school districts as it is a key success indicator for improving school districts by improving family engagement. We receive funds for things like curriculum fairs and speakers on topics such as anxiety and drug abuse she said.

Mr. King said nothing has been expended from the lines and asked when the funds would be spent.

Mrs. Cardinal said these funds are "come and go" and are not based on the fiscal year. She said she expected that there would be an expenditure of the funds by sometime this summer.

C). All Funds – Revenue Report (3/1/18- 3/31/18) –

Chairman Arcouette asked if the district received any unexpected revenues.

Mrs. Cardinal said there has not been any unexpected revenue received for this school year.

Mr. King asked if there are any shortfalls or increases to this budget that they are aware of.

Mrs. Cardinal said the Title II-A funding is lower than projected and this is happening across the country (Page 3, Lines 56-60). She said the district is due funding for fiscal years 2016 and 2017

and that she is not sure it will be paid.

Page 2, Line 21, Transfer from Bldgs. & Grounds and Line 22, Transfer from Technology ET-

Chairman Arcouette asked Mrs. Cardinal where these funds were transferred from and to.

Mrs. Cardinal said these are funds transferred from Capital Reserve Funds that were approved as separate warrant articles by the voters.

Mr. Henry asked for an update on the FAMEE grant.

Mrs. Cardinal said they expect to hear about the status of the grant by the third week in May.

Mr. King said that Mrs. Cardinal pointed out that the district is still owed Title II-A funding for school years 2015-16 and 2016-17 and asked if there is a commitment or any indication as to whether the funds will be paid.

Mrs. Cardinal said that right now the funds' status is a "maybe" because the funding is delayed. She said they are seeing that the agencies that control the funds are going through their documentation and procedures to find a loop hole where they don't have to pay the funds and then are not paying the funds. We haven't run into that yet but other districts have she said.

Mr. King suggested they are made to answer questions and if answered successfully the district is then put back on the list to wait for funding again.

Mrs. Cardinal said that so far the district has been successful with every question they have answered and have satisfied the agency's requests and the funds were paid.

Page 4, Lines 68-73, Fresh Fruits & Veg. – Mr. King said these lines show that there is revenue that is past due and asked about the status of these funds.

Mrs. Cardinal said they are awaiting payment of the funds and expect they will be paid.

Mr. Henry asked if would be fair to say that the challenges and questions the districts are getting could be accountability audits to make sure the districts receiving the money are spending it appropriately.

Mrs. Cardinal said this is happening more than usual and was told that it has to do with the change in the administration. She said it is not something they are too worried about but they have seen districts that were counting on the money be told they aren't getting it and then have to make budget adjustments.

Mr. King said if you look at the revenue shortfalls for 2015-16 on Pages 3 and 5 the total is about \$2 million.

Mrs. Cardinal said that not all of the line items on those pages indicate monies owed from previous years. She said the amounts listed are projections and are funds the district has applied for but not necessarily owed to the district.

Mr. King said the lines are shown as negative amounts and that the district is anticipating receiving them and the total for that year is \$2 million.

Mr. Johnson said that in this case the negative amounts are a good thing as it represents money that has been received. It is not like the expenditure reports where negative numbers mean the line is over spent. This is showing income which sometimes confuses everyone he said.

Mrs. Cardinal cited an example on Page 3, Line 57 Title II-A #54829 FY15 that shows that \$67,763 was actually collected in 2015-16 and that \$19,582 was collected in 2016-17.

Mr. Henry asked if the money collected in the 2016-17 school year was for activities that took place in school year 201-16.

Mrs. Cardinal said the activities could have also been planned in 2015-16 but took place just over the school year and were allowed to be billed for in 2016-17. She said the billing doesn't necessarily follow a school year or calendar year and each grant could be on a completely different timeline.

Mr. Henry asked about Line 62, IDEA #72506 8/15/16-9/30/18 that shows a positive number as the amount remaining column.

Mrs. Cardinal said they budgeted to collect \$97,842 in the current year but collected \$103,151 and the additional \$5,308 is shown in the amount remaining column as a positive number. She said she wouldn't say the additional funds are more than expected but that they came early.

7). Old Business: None

8). New Business:

NHMA Webinar- Mrs. Cardinal said she attended a seminar on the Right to Know law at the NH Municipal Association and sent the information to the Chair so she could distribute the information to the committee. She said there are several free workshops available and encouraged the members take part in the sessions so they would all have the same understanding of the law.

Mr. Johnson said they also offer webinars and there is a lot of helpful information on their website as well.

Mrs. Cardinal said she learned that there is a national survey conducted by a non-profit group that rates the states based on their state government's transparency, their effectiveness in sharing knowledge and in training of their municipal government officials. The last survey was conducted in 2015 and NH scored 34th in the nation with a D- grade she said.

Mr. Johnson said the House of Representatives was scheduled to address a bill concerning an update to the Right to Know law the next day. Also on the House agenda was a proposal to fund two new state ombudsman positions to enable people to address Right to Know issues without having to go to court. That should help to improve the state's score he said.

Mrs. Cardinal asked if the Bud Com has a budget and the ability to spend money.

Mr. Johnson said the committee does not have a budget. He said any committee expenses would be paid from the Town administration section of the budget.

Discussion included keeping costs as close to zero as possible, printing/mailing costs for meeting packets and saving paper/money by providing members with electronic copies of the town and school budget reports by e-mail.

Mr. Henry noted that the members are volunteers with no compensation so he did not feel

guilty for asking for his packet to be mailed to him because he can't get to the Municipal Office to pick it up as he works during the day. He added that he can't seem to get it mailed to him no matter how many times he has asked.

Mr. Johnson said he would look into the matter. He said board members were given the option to have their packets printed for pick up or mailed to them. **He said he did not know if all of the Town budget reports are available in the PDF format and would check on the possibility of having the monthly reports e-mailed to the members.** He suggested that after he finds out what report formats/delivery methods are available that they make a list of whether each member would like to physically pick up their monthly packets, have them mailed to them or sent by e-mail at the next meeting.

Mr. Henry asked the committee if they wanted to receive the Remittance Report every month.

Motion: (Cardinal, second E. Johnson) to reduce the rate at which the Budget Committee receives the Town Remittance Report to once a quarter instead of once a month passed 8-1 (King opposed).

Mr. Johnson said he would check to see if there is any reason the committee should not receive the report on a quarterly basis.

Ms. Mitchell suggested that Mr. Capello could also inform the committee if there were any major changes to the remittances before the report was received if necessary.

Mr. King suggested that Mr. Johnson ask the Selectmen's Secretary if the town office printer has the ability to scan documents into the computer and then be converted to a PDF file.

Motion: (E. Johnson, second Henry) to receive the School District YTD Expenditure Report-Grants Special Revenue Funds once a quarter instead of once a month passed 9-0.

9). Next Meeting: May 23, 2018

10). Adjournment:

Motion: (N. Johnson, second E. Johnson) to adjourn the meeting passed 8-1 (E. Johnson opposed) at 8 p.m.

Respectively submitted
Kathleen Magoon
Recording Secretary

Sylvia Arcouette, Chairman