

Town of Farmington
Budget Committee Public Meeting Minutes
Wednesday, May 23, 2018

Committee Members Present:

Sylvia Arcouette, Chairman
Jodi Connolly, Vice Chairman
Neil Johnson, Selectmen's Rep.
Linda McElhinney, Alternate School Board Rep.
Elizabeth Johnson
Tim Brown
Samantha Place
Heidi Mitchell
Charlie King

Committee Members absent:

Stephen Henry, Secretary
Angie Cardinal, School Board Rep.
Jason Lauze, excused

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: None

4). Review Minutes:

April 25, 2018- Page 1, Committee Members Absent, add Mrs. Connolly's and Mr. Brown's absences were excused.

Motion: (N. Johnson, second E. Johnson) to accept the minutes as amended passed 6-0-3 (Connolly, Brown. McElhinney abstained).

5). Review Town Reports:

A). Remittance Report-

Mr. Capello said the remittances were on target at this point.
There were no questions or comments from the committee on this report.

B). Actual & Anticipated Revenues-

Ms. McElhinney asked for definition of "Ptd" at the top of the 3rd and 4th columns of this report.
Mr. Capello said it stands for "period to date".

She then asked if the 3rd column titled "Prior Year Ptd. Revenues" contains revenues that were budgeted last year but were received this year.

Mr. Capello said that column contains the revenue received last year for each line item.

Mr. Johnson added the next column (Current Year Ptd. Revenues) contains the revenues received for this period this year.

Mr. King asked if there are any expected shortfalls in this area that are new over the last month. Mr. Capello said he was not anticipating any shortfalls.

C). Actual & Budgeted Expenses & Encumbrance- Parks & Recreation-

Line 04-4589-11-991 Hay Day Fireworks (\$3,500 budgeted) Mrs. Place asked if this line is taxpayer funded.

Mr. Capello said this line is funded by donations.

Line 04-4589-14-990 Various Programs (\$5,000 budgeted) Mrs. Place asked what items are contained in this line.

Mr. Capello said line funds several events/activities during the year such as Family Night at Fernald Park, the Easter Egg Hunt, etc.

Line 04-4589- 21-990 Senior Programs (\$7,000 budgeted, \$930 spent) Mrs. Place said there is 86% of this budget left and asked if the dept. is not doing anything for the seniors.

Mr. Capello said the dept. is holding activities for the seniors and suggested that the expenses may not have been received and/or paid as of this report.

Mr. Johnson said most of this line is expended during the summer months as many of the seniors don't want to come out when the weather is bad.

D). Actual & Budgeted Expenses & Encumbrance- General Fund –

Ms. Tanner asked if the Rec. Dept. expenses are listed in a separate report because the dept. is supposed to be self-sustaining.

Mr. Capello said it is part of the Town budget package that somehow was separated into its report.

Page 13, Line 01-4915-60-960 Depreciation Wastewater (\$50,000 budgeted) Mrs. Place asked why this line suddenly increased from \$25,000 last month to \$50,000 this month.

Mr. Capello said the Dept. of Revenue Administration (DRA) made the Town show it this way on the budget sheet. He said \$25,000 of the \$50,000 total comes from the wastewater budget and \$25,000 comes from the warrant article that was approved by voters. He added that the amount to be paid by taxpayers is up to \$25,000 and is to match whatever is paid from the Wastewater Dept. budget (i.e. if the Wastewater Dept, pays \$10,000 then the Town pays \$10,000 into the Depreciation Capital Reserve Fund).

Line 01-4912-60-960 Depreciation Wastewater Mr. Johnson recalled that he had asked about what may be a duplicate entry for the depreciation of the wastewater plant at the last meeting. Mr. Capello said he would get clarification on this item for Mr. Johnson.

Line 01-4909-10-740 Capital Project – Water Meters (\$588,000 budgeted) Mr. King asked for the status of the water meter replacement project.

Mr. Capello said the Selectmen have approved moving forward with a Special Revenue Fund loan from the state and the loan application will be submitted soon. The board also decided to implement a meter fee to water users to be used to repay the loan. They haven't set the exact meter fee as the board decided to go with a different less expensive meter than the model

previously recommended. They may not end up using the entire \$558,000 for the project he said.

Mr. King asked when the project would be implemented if the loan is approved by the state. Mr. Capello said the project is expected to begin in 2019 with the first loan payment due in 2020. He said the board decided to go with a 15 year loan but do not have the total costs for that term length yet.

Mrs. Place said she watched the Selectmen's meeting and heard that the users would begin to pay the meter fee in the third quarter billing.

Mr. Capello said that is correct.

Ms. Tanner asked what percentage of health insurance and dental insurance is paid by the Town for Town employees and what percentage is paid by the employee for their coverage.

Mr. Capello said 88% of the cost is paid by the Town and 12% is paid by the non-union employees. He said the Police Dept. employees pay 20% of their insurance coverage while the Town pays the remaining 80% as per their contract and the DPW employees pay the same percentage but with a different insurance carrier through the Teamsters' Union.

Page 3, Line 01-4155-20-630 Payroll Outsourcing (\$15,000 budgeted) Ms. Tanner asked what expenses are contained in this line.

Mr. Capello said the Town pays a payroll company to do the Town's payroll and associated forms.

Line 01-4194-10-410 Lights/Town Bldgs. (\$40,000 budgeted) Ms. Tanner asked if the lights in the Town buildings are all energy efficient.

Mr. Capello said the light bulbs at the Municipal Office Building were changed to LED bulbs and they are slowly switching out the valances. He said their next goal is to finish upgrading the lights at the Town Hall to LED bulbs.

Page 4, Line 01-4196-10-520 Property & Liability Insurance (\$154,074 budgeted) Ms. Tanner asked what buildings are included in this line.

Mr. Capello said it includes all of the Town buildings.

Mr. King added that it also includes coverage for the Town vehicles.

Page 8, Line 01-4316-30-410 Street lighting (\$24,000 budgeted) Ms. Tanner asked about the purpose of this line.

Mr. Capello said this line represents the cost for street lights and is down from \$32,000 last year due to the conversion to LED lights.

Page 9, Line 01-4324-10-620 Landfill Stickers (\$6,600 budgeted) Ms. Tanner asked if this line represents the cost for the Town to have the stickers printed.

Mr. Capello said that is correct.

Mr. Johnson asked if the amount budgeted is for more than one year's worth of stickers.

Mr. Capello said he thought it reflects one year of stickers but did not know if it is for the bag stickers or for the windshield stickers. He said he would get an answer for the committee.

Page 10, Line 01-4445-20-839 Welfare Rents, Etc. (\$21,000 budgeted) Ms. Tanner asked about the purpose of this line.

Mr. Capello said this line is for electricity, first month's rent, security deposit and bus passes paid for eligible residents.

Ms. Tanner asked if the funds are paid for Farmington residents only.

Mr. Capello said the line item is for Farmington residents only.

Mr. Johnson disagreed and said they don't have to be a town resident to apply for assistance. He said state law does not restrict anyone who walks in from applying for funding and that they could apply for help in another community and also apply in Farmington. He said there is a coalition of welfare staffers who meet monthly and exchange information in an effort to stop "double dippers".

Mr. King said the applicant must fill out all of the necessary forms and provide proof of eligibility to receive assistance. He said the system has been revised twice in the last 5 years and that is reflected in the lower amounts spent for this line. He said the highest amount paid when he was a Selectman was about \$120,000 which was reduced to approx. \$70,000 when the current Welfare Director took over the position. We have done significantly better through better policy and staff management he said.

Page 12, Principal, Long Term Bonds & Notes -Line 01-4711-10-982 Lease Purchases (\$5,216 budgeted) Ms. Tanner asked what is contained in this line item.

Mr. Capello said the lease purchase line item would include leased machines such as copiers.

Line 01-4711-20-980 Principal (\$323,308 budgeted) Mr. Capello said this line reflects the principal amount to be paid for items such as the Public Safety Building, dump truck and a fire engine. He said a complete list of the bonds/notes to be paid is included in the Town Report.

Page 13, Capital Outlay Improvements Other Buildings- Ms. Tanner pointed out that the word "capital" is misspelled 3 times in this section.

Line 01-4915-30-740 Highway Motorized Equip. (\$55,000 budgeted) Ms. Tanner asked what this line includes.

Mr. Capello said this fund is for anything the Highway Dept. has with a motor such as trucks, loaders, etc. The money for the new truck to replace the one that was burnt beyond use will be taken from this Capital Reserve Fund he said.

Special Town Meeting- Mr. Capello said that a Special Town Meeting is scheduled for Monday, June 25 at 5 p.m. for the purpose of authorizing the Board of Selectmen to be the agents to expend the funds from the Highway Motorized Equipment Fund. He said the DRA disallowed the warrant article that was approved by voters at Town Meeting because it changed the intent of the original warrant article.

Page 14, Encumbered Funds, Line 01-5000-18-392 H. P. Fairfield (\$6,000 budgeted) Ms. Tanner asked what this line represents.

Mr. King said they are a vendor for the Highway Dept. that outfits plows, wings and accessory

equipment on trucks.

Page 1, Line 01-4130-10-740 Town Office Equipment (\$2,500 budgeted, \$2,742 expended) Mrs. Place said this line is over spent by \$242 this month and asked how much over budget this line is expected to be and what items are purchased through this line.

Mr. Capello said this line is for the purchase of ink, chairs, etc. and that he did not expect this line to be overspent by much more.

Ms. Mitchell questioned if furniture and office supplies would be paid for through this line.

Mr. Capello said typically they take office supplies from this line.

Page 3, Line 01-4155-10-241 Staff Physicals (\$500 budgeted, \$357 spent) Mrs. Place if the Town just hired a bunch of new people and that is why this line is almost gone.

Mr. Capello said this money is for new hires for the DPW and Police Officers.

Mr. Johnson added it also pays for the required physicals for CDL licenses for DPW employees.

Mr. Capello said the Town is looking at partnering with another medical provider to reduce the cost for physicals.

Line 01-4194-10-411 Fuel-Town Bldgs. (\$23,000 budgeted, \$24,430 spent) Mrs. Place noted that the expenses in this line increased by \$4,000 in the last 3 weeks.

Mr. Capello said this may be due to the lag in receiving the invoices and entering them into the budget report. He said this line will be over budget for the year but how much over budget will depend on how cold it is during the heating season.

Page 4, Line 01-4210-10-111 Police Officers Part Time (\$3,000) Mrs. Place asked if the dept. only budgets \$3,000 for part time officers.

Mr. Capello said that is correct but that the Chief has informed Selectmen that this line may be over spent as he is working with a part time officer on updating the policies and standard operating procedures to achieve proper certification for the dept.

Page 5, Line 01-4210-90-911 Capital Project – Police Outside (\$100,000 budgeted) Mrs. Place asked if the funds in this line were used to make the building look pretty.

Mr. Capello said this line is for Police outside details and is a “wash” with the revenues brought in from the outside details listed in the revenue report.

Page 9, Line 01-4324-10-410 Landfill Electricity (\$3,200 budgeted, \$1,901 spent) Mrs. Place asked if Mr. Capello had learned why 14% of the landfill electricity budget was used in the last 2.5 weeks. She said that last month there was approx. 50% of the budget remaining and now there is only 40% of the budget remaining for this line item.

Mr. King added there is the same question about the Highway Dept. electricity use.

Mr. Capello said he would get an answer for the committee.

6). Review School Reports:

Ms. McElhinney said all of the lines are tracking and they are not able to show the percentage of the budget expended like the Town does because many of the items are on their own timelines. She then asked if there were any questions from the committee.

A). YTD Expenditure Report-

Page 1, Line 10-1100-51129-00-90-00001 Sick day Buyback Teacher (\$17,000 budgeted, \$0 spent) Mr. King asked if the \$17,000 amount was the amount remaining or if it was yet to be expended.

Ms. McElhinney said this amount is yet to be expended as sick day buybacks are paid at the end of school year. She said she would get confirmation on this matter for Mr. King.

Line 10-1100-51200-12-00-0000 Salaries, Reg. Ed- Subs: Teachers HW (\$21,500 budgeted, \$12,200 remaining) Mr. King asked if the \$12,000 will be left over in this line or if it will be expended. He asked the same question for the \$9,397 remaining in the line for the high school (\$22,700 budgeted).

Ms. McElhinney said she did not know the answers but would find out.

Ms. Tanner asked what percentage of the health/dental insurance is paid for by the School District and what percentage is paid by the employee.

Ms. McElhinney said she thought the percentages are 80% by the School District and 20% by the employee but that she would check on her answer.

Page 2, Line 10-1100- 56100-30-33-0000 Supplies, Gen. –Reg. Ed. FHS (\$7,565 budgeted, \$1,033 remaining) Ms. Tanner asked if this line is for supplies such as pencils and paper and if any teacher can get supplies from this line. She said there are also line items for supplies specific to the individual subjects such as art, English, Social Studies, etc.

Ms. McElhinney said she would get an answer for Ms. Tanner.

Page 4, Line 10-1100-57310-11-33-0000 Equipment, New – Gen. Ed. VV (\$1,200 budgeted, \$1,006 remaining) Ms. Tanner asked if any teacher wanted a piece of equipment if it would come from this line as it is not specific to any dept. or subject.

Ms. McElhinney said she would find out for Ms. Tanner.

Page 22, 10-2620-51161-00-66-0000 Salaries Maintenance-DW (\$68.400 budgeted, \$7,877 remaining) Ms. Tanner asked for the definition of “DW”.

Ms. McElhinney said it stands for “district wide”.

Ms. Tanner asked if the Facilities Manager line item and the Maintenance DW represent two separate positions. She also asked for the number of custodians at each school.

Ms. McElhinney said she would find out.

Line 10-2620-51169-70-00-0000 Salary Custodian SAU (\$14,935 budgeted, \$3,830 remaining)

Ms. Tanner asked if this is a different person than the other custodians listed in this section.

Mr. Johnson said this is not a separate position. He recalled that the cost of the custodial work from one of the custodians for the SAU was split out from other custodial costs to depict how the money was allocated.

Page 26, Utilities, Electricity- Ms. Tanner noted the budgets for these 6 lines in this section and asked with the coming availability of solar generated electricity for the Town if the School District will be able to take advantage of the new power source.

Mr. Johnson said the district will not be able to take advantage of the solar field on the Town owned property.

Mr. Capello said there is a possibility of the district purchasing solar power from the solar field owned by a private entity as the Town has asked the owner to market the power to the School District.

Mr. Johnson asked the following questions:

- 1). The draft School Board meeting minutes of April 2, 2018 states that the total amount of the budget to raise and appropriate approved by voters was \$15,945,000. The amount needed to cover the School Board's adopted budget was \$16,429,000 creating a gap of \$484,000. At the Bud Com meeting held before the Deliberative Session the gap was presented as \$421,000 of which \$210,000 was added back into the budget. He said the gap should only be \$211,000 and asked if the gap had increased since the Deliberative Session.
- 2). The same School Board minutes mention the adoption of a reduction plan as amended resulting in a projected \$521,000 reduction in general fund spending. He asked for a copy of the reduction plan.
- 3). Also at that meeting, the Business Administrator listed the balance and savings that will potentially be turned back to the Town when the books close. He asked for a copy of the list of projected savings and the amount she projected would be returned to the Town.
- 4). At the April 28, 2018 School Board meeting, there was discussion about pre-buying fuel for this year which was done last year. He asked if the board plans to make this an on-going practice and pre-buy fuel each year. He said the problem with this is that they are taking about \$100,000 out of the taxpayers every year which ends up sitting around and then they do it again the next year. The meeting minutes say Superintendent Ruth Ellen Vaughn said the pre-buy is in the lines approved for adjustment and there are funds that were not expended this year as an anticipated "costly issue" did not happen and that the money is sitting there. He said he did not recall any money being set aside in the budget for a major expenditure and asked for more information on the nature of the issue and the related potential costs.

Ms. McElhinney said she would provide the requested information to the committee.

Mr. Brown said that under state law the Bud Com has the authority to request records for the purpose of budget preparation. He said that he would like to understand where the money came from and where it is going to and requested the following information:

Motion: (Brown, second King) to request records from the School District regarding the 6/19/17 Team meeting where the following line items were transferred: Page 7- the fuel bill and the Chromebook purchase; Page 9- unemployment compensation and Page 10- card readers to include what line item these monies came from, what line item they were transferred to and the amount of the expenditures passed unanimously.

Motion: (Brown, second King) to request the following information in regard to the current Homeland Security Grant before the School Board with a \$30,000 match that was approved by

the School Board as to what line item was used to generate the match and what line item the \$30,000 is going into passed 9-0.

Motion: (Brown, second N. Johnson) to request copies of the correspondence from the state and federal authorities notifying the SAU of the decrease in revenues as reflected at the joint Budget Committee/School Board meeting on the day of the Deliberative Session including the dates the SAU was notified of the decrease in revenues;

Discussion: Mr. King asked if the motion was asking for the written communication from the state and federal authorities notifying the SAU of decrease in funding and the dates of notification.

Mr. Brown said that is correct. He said he would like to know the dates the SAU was notified and where the loss in revenues occurred to use during budget preparations.

Amendment: Mr. King offered the following amendment to the motion: that if any of the information was given verbally and not in written form that that information regarding who gave the information and when be given to the Budget Committee.

Mr. Brown and Mr. Johnson accepted the amendment to the motion.

Vote: The amendment passed unanimously.

Vote: The motion passed unanimously.

Ms. Tanner asked if the information that was requested in the motion would be presented at the next Bud Com meeting.

Chairman Arcouette said when the committee receives the requested information it will be available at the next meeting.

Mr. Brown said that at the last meeting Mrs. Cardinal had correspondence that he requested in regards to Town records on warrant articles (from the 1999 school district meeting that allowed the district to accept grant funds) and asked if they were ever provided to the committee.

Chairman Arcouette said she has not received them yet.

Ms. McElhinney said Mrs. Cardinal will follow up on the matter.

Mr. King said to follow up on Mr. Johnson's earlier discussion about unexpended heating oil funds, the question about the potential for approx. \$100,000 in unexpended heating oil funds was not only included in the minutes of the last School Board meeting but it is also shown in the budget in the YTD Expenditure Report on pages 26, 27 and 33.

B). All Funds- Revenue Report-

Ms. Tanner asked if the numbers in parenthesis signify anticipated revenue.

Mr. Johnson said the numbers in parenthesis is the income for that line item.

7). Old Business:

Mr. Johnson said at the last meeting they discussed providing the budget documentation in an electronic format and that it will begin next month. He asked which members do not need/want printed copies of the documentation.

Mrs. Place and Ms. Mitchell said they did not need printed copies of the monthly packets.

Mr. Johnson said everyone will receive the monthly packet in the electronic format and then those members that also want the printed copy will still receive one.

Mr. Johnson then asked if those members who want to receive a printed copy of the monthly packet would like to have it mailed to them.

Mrs. Connolly said she would like her packet mailed to her and some members reported that Mr. Henry would like his packet mailed to him (Mr. Henry was absent from the meeting).

Mr. Johnson said he would forward the information to the Selectmen's Secretary.

8). New Business: None

9). Non-Public Session:

Motion: (King, second Brown) to enter non-public session under RSA 91-A: 3 II (I) Consideration of Legal Advice passed 9-0 by a roll call vote (Arcouette-yes, Connolly-yes, N. Johnson-yes, E. Johnson-yes, Brown-yes, Place-yes, Mitchell-yes, King-yes, McElhinney-yes) at 7:55 p.m.

Motion: (N. Johnson, second King) to come out of non-public session passed 9-0 at 8:20 p.m.

Motion: (King, second N. Johnson) to seal the minutes until the matter is resolved passed 9-0.

10). Adjournment:

Motion: (N. Johnson, second Connolly) to adjourn the meeting passed 9-0 at 8:20 p.m.

Respectively submitted
Kathleen Magoon
Recording Secretary

Sylvia Arcouette, Chairman