

Town of Farmington  
Budget Committee Meeting Minutes  
Wednesday, August 23, 2017

**Committee Members Present:**

Sylvia Arcouette, Chairman  
Elizabeth Johnson, Secretary  
Neil Johnson, Selectmen's Rep.  
Angie Cardinal, School Board Rep.  
Stephen Henry  
Sam Cataldo  
Tim Brown  
Jason Lauze  
Michele Elbert

**Committee Members Absent:**

Jodi Connolly, Vice Chairman, excused  
Heidi Mitchell, excused

**Others Present:**

Residents Penny Morin, Mike Morin

**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 (10 Minutes):** None

**4). Review of Minutes:**

July 26, 2017- No errors or omissions

Motion: (N. Johnson, second Elbert) to approve the minutes as written passed 8-0-1 (Brown abstained).

**5). Review of Town Reports:**

Town Administrator Arthur Capello did not attend the meeting.

**Remittance Report-**

Chairman Arcouette said the revenues for the Rec. Dept. rental of the Town Hall are not shown on the Parks and Recreation Revenue Report and asked where the listing could be found.

Mr. Johnson said the revenue listing could be found on page 4, Rents of Property, Line 01-3503-10, Rental of Town Hall in the Actual and Anticipated Revenues Report.

She then asked about the difference between what was projected and actually collected for rental of the building.

Mr. Johnson said they projected that the amount collected for the year would be \$4,500 and the current YTD revenues are \$3,890.

**Actual & Anticipated Revenues Report-**

Page 1- Prior Year PTD Revenues- Ms. Cardinal asked why this column shows no amounts for the first 5 items on the page.

Mr. Johnson said he would have to find out why that is happening.

Page 2- Other Licenses, Permits & Fees- Ms. Cardinal said that everything listed in this section seems to be about 10 times more than the prior year.

Mr. Johnson said he would look into it as there seems to be something wrong with the Prior Year PTD totals for those lines.

**Actual & Budgeted Expenses & Encumbrances Report-**

Page 1, Line 01-4130-10-620, Town Office Supplies- Ms. Arcouette said this line has gone over budget (\$4,100 budgeted, \$4450 expended) as has Line 01-4130-10-565, Advertising (\$2,000 budgeted, \$2950 expended).

Mr. Johnson said they are aware of the over expenditure on office supplies in the Town Office and the Police and Fire Depts. and that a “lockdown” has been placed on the purchase of office supplies without prior approval. He said the ads were for vacant job positions.

Ms. Arcouette then recalled that the Town Administrator had mentioned the expenses for ads to fill vacant town positions at the previous meeting.

Mr. Henry asked if this line includes ads for the Planning Board.

Mr. Johnson said there is a separate line for Planning Board advertising. He said the money comes in as a revenue amount and then is expended under the Planning Board section of the budget and should show as a “wash”. He said this line is for things like job ads and Public Notices that have to be published in the newspaper.

Page 2, Line 01-4150-30-312, Tax Map Update (\$3,500 budgeted, \$5,079 expended) - Ms. Arcouette asked about the reason for the over expenditure of this line.

Mr. Johnson said the amount budgeted is an estimate of the cost for the Tax Assessor to send out the tax maps to be re-drawn each year and the cost depends on the number of changes made to the maps.

Mr. Henry noted that people making changes such as a lot line adjustment pay a fee to the town.

Mr. Johnson said there is income from the changes but this line only depicts the costs for the update of the tax maps.

Mr. Henry asked what would be changing on the maps that would not trigger a fee to the Planning Dept.

Mr. Johnson said change of ownership of a home/land would not go through the Planning Board. He said there were more changes than anticipated so the cost was underestimated.

Page 3, Line 01-4191-10-565, Board’s Printing and Ads (\$1,500 budgeted, \$1,677 spent) - Ms. Arcouette said this line is also over budget.

Mr. Johnson said this line is where applicants submitting an application for changes to the Planning Board would pay a fee to the Planning Dept. The fee is included under revenue and then the Town pays for the ads through this line.

Mr. Henry said an over expenditure of this line could indicate more economic activity in town.

Mr. Johnson said the fees for advertising were updated this year to better reflect the actual cost of advertising. The Town now charges actual advertising costs where previously we were charging a set fee for ads he said.

Page 3, Line 01-4194-10-412, Water/Sewer Town Bldgs. (\$3,700 budgeted, \$3,806 expended) -

Ms. Arcouette asked why this line is over expended again.

Mr. Johnson said this item has been a “pet peeve” of his for years and said he will check into the reason for the over expenditure. He said over previous years the water and sewer costs have been scattered through various agencies or lumped together and did not truly reflect each dept.’s usage. He added that apparently there is still additional resolving that needs to get done.

Ms. Arcouette said she suspected that closing one building and coming together in another building could have upset the budget.

Mr. Johnson said that may be part of the issue and noted that there were no period expenses shown for the last 30 days.

Page 5, Line 01-4210-70-430, Police Dept. Building Maintenance (\$2,000 budgeted, \$4787 spent) – Ms, Arcouette said she noticed that this line is over spent by \$2787.

Mr. Johnson said he did not know the reason for the \$1,650 expenditure during this period and said he will find out for the committee.

Page 6, Line 01-4220-60-660, Fire Dept. Truck Expense (\$8,000 budgeted, \$19,872 spent) - Ms. Arcouette asked if this line represents the funds that will come from the Capital Reserve Funds for the purchase of a truck.

Mr. Johnson said there have been a lot of problems with the old ambulance costing about \$19,000 in repairs in the last 2 months. He said the vehicle needed a new transmission, brake work, electrical work which seemed to happen all at the same time resulting in it being in the garage more than it has been on duty.

Line 01-4220-20-740, Fire Dept. Equipment Expense (\$10,000 budgeted, \$18,348 expended) -

Mr. Lauze asked if the issues with the ambulance repairs is the reason this line is also over expended.

Mr. Johnson said they were trying to spread the cost over multiple lines in the budget and may have taken some of the money from this line. He said he would get a breakdown of the costs for the committee.

Line 01-4220-80-411, Fire Dept. Fuel Oil (\$4,000 budgeted, \$5,776 spent) and Line 01-4220-80-630, Fire Dept. Bldg. Maintenance (\$1,000 budgeted, \$1,621 spent) - Ms. Arcouette then noted that both of these lines are over spent.

Mr. Henry said he thought the new building would save money on fuel oil and noted that we are only a little more than half way through the year with this line over spent.

Ms. Arcouette suggested it may include the expense from the old building and the new building.

Mr. Brown asked if the fuel oil is gasoline or heating fuel for the building.

Mr. Johnson said he thought it represents heating fuel for the building and that the entry may be in error. He said he will get verification of the entries.

Mr. Brown said he did not see gasoline costs listed in the Fire Dept. expenses which is why he asked if the expense was for gas or heating fuel.

Mr. Johnson said gasoline expenses come out of the DPW fuel expense line.

Mr. Henry said this is because the pumps are located at the DPW garage.

Mr. Brown said for year ending, both the areas showing over expenditures seem to be on par

percentage-wise.

Mr. Johnson added that so far, the over expenditures have been off-set with savings in other areas. He said he would get specific answers to the members' questions in the next few days.

Mr. Lauze asked if the data presented in the report is as of 8/17/17 or as of 7/31/17.

Mr. Johnson said the data is as of 7/31/17 and the report was printed on 8/17/17.

Page 9, Line 01-4324-80-312, TV's & Monitors (\$2,000 budgeted, \$2,631 spent) - Ms.

Arcouette asked if this represents the cost to install monitors at the landfill.

Mr. Johnson said this line represents the cost to dispose of TV's and monitors brought into the Transfer Station for disposal.

Mr. Henry said there would also be revenue from these items included in the budget.

State Highway Funds Received- Mr. Johnson then told the committee that the Town has just received more than \$141,000 as the town's portion of the \$36 million in excess highway budget funds. He said the money is dedicated for road work or related equipment and will be spent this year on Waldron Cross Road, Bay Road and a portion of Ten Rod Road. The work will include drainage work, re-grading and resurfacing of those roads. The additional funding can't be used to off-set the \$350,000 originally budgeted for road work so that amount will still be spent and these 3 roads will be moved from next year to this year on the road plan he said.

#### **6). Review of School Reports:**

SAU Superintendent Ruth Ellen Vaughn and SAU Business Administrator Laurie Verville did not attend the meeting.

Motion: (N. Johnson, second E. Johnson) to table review of the School District reports passed 8-1 (Cardinal opposed).

#### **7). Old Business:** None

#### **8). New Business:**

Athletic Gate Receipts - Mr. Brown said he briefly reviewed some of the School District reports and looked at the revenue line for athletic gate receipts. He said he looked at the School Board policy adopted in Jan. 2017 that says all gate receipts will be placed into the general fund and be off-set as special revenue to be expended only for the sports programs. He said he had no issues as to how the money is being spent but in order to create a special revenue account it has to be a warrant article and voted on at the Deliberative Session. He said that it is his understanding that in order to expend from that account it must be approved by a vote at the Deliberative Session. He asked Ms. Cardinal to request that the School Board look into the way the money is being spent. He said that he agreed with the purpose of account but from an accounting perspective the policy says the Athletic Director can spend up to \$250 and anything over that must be approved by the Superintendent. He suggested that the NH Dept. of Revenue Administration or legal counsel review the matter as he did not want to see the money get spent, someone challenges it and then have to replace the money spent out of the existing School District budget.

School District Monthly Reports - Ms. Arcouette said she would like to know why the committee has not been receiving monthly reports from the School District. She said in her line of work in

accounting she wondered how the yearend report could be done and not have the monthly reports completed and ready to give to the committee.

Ms. Cardinal said the reports have 7 columns which includes the June data. She said a separate monthly report for June can be provided for the members if needed. The close of June is close of the school year she said.

Ms. Arcouette said the committee has always received monthly reports from the School District and still have not received the monthly reports for June, July and August.

Ms. Cardinal said she believed that last year the committee received the June report in Sept. She said the August report has not been created and does not exist yet because they have not started to expend funds from the new budget. She said that last year there was no Bud Com meeting in August and the first report for the year was provided in Sept. She added if the committee would like to see the expenses for June in one of the columns the reports could be changed to show June data.

Mr. Henry pointed out that the YTD Expenditure Report- General Fund does contain a column that contains data for the Current Period (June 1-30, 2017).

Ms. Cardinal asked if Ms. Arcouette was also looking for the June data for the All Funds Revenue Report and the YTD Expenditure Report-Grants Special Revenue Fund. She said the reason the information was not available until now is because there are closing activities that have to happen that get charged in June. She said she thought that the Town Administrator would handle the Town budget the same way with closing activities in January that get charged to Dec.

Mr. Johnson said the Town still provides a monthly report for each month. He recalled when Ms. Elbert asked why the beginning of the year budgets contained zeros on the line items was because the budget does not get approved until March but the Town still provides monthly reports. He said it takes about 6 weeks to close the Town books for the previous year.

Ms. Cardinal said the June 30 report was ready for the August 14 School Board meeting but it was tabled as the board thought there was enough time to review it at their next meeting. She said the committee will have the report in time for inclusion in the meeting packets one week prior to the Sept. Bud Com meeting.

General Fund Balance - Mr. Brown said that by reviewing the last page of the School District YTD Expenditure Report-General Fund (page 33) it shows \$182,308 remaining in the general fund. He asked Ms. Cardinal if the Special Warrant Articles that were passed contingent upon a surplus fund existing, such as for repairs to the Middle School, were already removed from the remaining amount shown on the report or if that is a process that will take place later.

Ms. Arcouette said that because the School District reports were tabled the question should be brought up at the next meeting.

Mr. Brown agreed to ask the question again at the next committee meeting.

### **9). Public Comment (10 Minutes):**

Penny Morin asked if the Fowler restitution money for the Fire Dept. is included in the anticipated revenue portion of the budget.

Mr. Johnson said it is not included in the revenue report as the funds are not considered revenue.

He said he did not know what account the money is being held in.

Mrs. Morin asked if the money is reflected somewhere in the budget report.

Mr. Johnson said it is not reflected in the monthly town reports.

Mrs. Morin asked if any of the restitution money has been used for anything.

Mr. Johnson said \$181,000 was recovered from the insurance company for the former Fire Chief's theft and \$20,000 of that was used but he did not remember what it was used for. The \$160,000 balance is being held until the dept finds out if we qualify for a grant for replacement of the Scott air packs which is expected to cost the town about \$300,000 he said.

Mr. Johnson said he would get the answers to Mrs. Morin's questions by the next meeting.

**10). Next Meeting:** Wednesday, September 27, 2017 at 7 p.m.

**11). Adjournment:**

Motion: (Cataldo, second E. Johnson) to adjourn the meeting passed unanimously at 7:35 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

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Sylvia Arcouette, Chairman