

Town of Farmington
Budget Committee
Wednesday, February 11, 2015

Members Present:

Ann Titus, Chairman
Gail Young
Gerry McCarthy
Jodi Connolly
Brian St. Onge, Selectmen's Rep.
Sam Cataldo
Joe Pitre, School Board Rep.
Neil Johnson

Members Absent:

Steve Henry

Others Present:

Town Administrator Keith Trefethen
Selectman Paula Proulx

1. Call to Order/Pledge:

Chairman Ann Titus called the meeting to order at 6:30 p.m. All present stood for the Pledge of Allegiance.

2. Public Hearing 2015 Town Budget:

Chairman Titus opened the Public Hearing and invited Town Administrator Keith Trefethen to begin discussion of the proposed town budget for the coming year.

He presented an overview of the budget consisting of three documents for the committee's review. The first document was a draft of the Annual Town Meeting warrant which has been reviewed by Selectmen and will be voted on at their February 23 meeting. He asked the Budget Committee to vote on the articles before the end of meeting so that their recommendations could be included on the document at the Selectmen's meeting.

The second document presented was the MS 737 Budget Form. Trefethen said he put the warrant articles that are directly related to the budget amounts on the form and a description of the purpose of the article. He explained that the Department of Resources and Economic Development has created a new online portal that they want municipalities to use which requests this information. Administrators can plug in the information and send it to the state for approval. The first two documents will be included the Town Report after they are approved by the Budget Committee and the Selectmen and will be available at Town Meeting he said.

The third document is a spreadsheet outlining page 9 of the MS 737 which shows the total operating budget, the totals for the individual warrant articles, the total appropriations minus the revenues received and the total amount to be raised by taxes. The sheet also includes the 2013 and 2014 tax rates, the recent town evaluation and the adjusted tax rates for those years if the current town valuation were in place then. He said the town portion of the new tax rate will be about \$7.32. This is a 14 cent per \$1,000 assessed property valuation increase over last

year's rate of \$7.18 he said. A home in town valued at about \$150,000 would pay about \$1,098 in taxes, which is a \$21 increase from last year. The overall rate for this year is expected to be \$24.38 which includes the town, school and county rates he said

Member Neil Johnson questioned where the meeting was posted. Trefethen said it was posted in the newspaper and outside the building. Johnson it was not posted outside and was not posted on the town web site. Trefethen said he posted the meeting notice outside himself. Johnson said the notice was not there the previous day or currently on the building. Johnson said he just wanted to make sure it was a legally posted meeting.

Member Joe Pitre asked what the increases in the amount to be raised by taxation included. Trefethen said the actual total appropriation is down by about \$205,000. The difference is the revenues are projected to be less than previous years. When Selectmen set the tax rate in recent years, they have adjusted the rate by using a significant amount of the general fund balance. This rate is a projection based on what we actually know at this point he said.

Pitre asked if the tax increase is based on receiving less revenue, what part of revenue will the town be missing? Trefethen said he projected everything the town normally gets from revenues, but the piece that is missing is what Selectmen will do when it is time to set the tax rate. The tax rate presented is the worst case scenario should Selectmen decide not to offset the rate by using funds from the general fund balance. He added that he is not sure what will happen with the school district budget and what affect that will have on the tax rate.

Selectman Paula Proulx was in attendance in the audience. She explained that last year, money was cut from the road maintenance and repairs budget which was not done this year, that two new contracts were negotiated, one of which includes an increase in wages, so the increases are scattered throughout the budget. Some areas went up while others went down and Selectmen tried to balance it all out she said.

Pitre said the school district had a \$65,000 increase in payments to the state retirement fund system and asked how badly the increase in required payments has hurt the town. Trefethen said the payments have increased by about 3.2 % but was not sure what the total amounts is at this time. Pitre advised that this is going to be a problem for municipalities every year because the state is trying to catch up on the amount of funding needed to operate the system. The amount needed may change depending on what happens to the inflation rate and the value of investments over time. Trefethen said the town's payment amount is based on a percentage of the total salaries paid for employees in the system, such as police and fire department personnel. He said he would calculate the town payments and provide the information to Pitre.

Member Jodi Connolly asked when Selectmen took funds from the fund balance, where did that money come from. Selectman Proulx said it was taken from the Capital Reserve Fund.

Pitre asked about the current total amount in the fund balance. Trefethen said it is presently about \$1.4 million which is about 8 per cent of the total budget. Pitre advised the town should increase the amount of reserve funds as suggested by the state. Trefethen said that the amount held in reserve is determined by the Board of Selectmen.

Member Gerry McCarthy asked what is included in the town portion of the tax rate. Trefethen said the figures include "everything", such as salaries, benefits, and all town services. He added that the town budget is about 29 to 30 % of the overall tax rate.

Chairman Titus then asked members to begin review of the MS 737. It contains a breakdown of the budget lines which have been discussed at previous meetings.

Member Johnson asked about the Other General Government line item on page 2. The total shown on the January 9 form was \$60,000 which seems to have been eliminated from this edition of the form he said. Trefethen said that amount is actually found in warrant article 9 on page 5.

Selectmen Rep. Brian St. Onge said that on page 3, the library budget is listed at \$273,227. He stated that they cut virtually everything except salaries while giving 6 % raises to the staff and an 11 % raise to the bookkeeper. Last year they were asked to try to increase their fund raising efforts, but said they didn't do that because they were too busy. He added that is one reason he was not in favor of approving the \$270,000 budget request. He said the lowest figure proposed by Selectmen was \$250,000 as the staff has not shown they are doing anything to help with fund raising and are simply relying on what the town contributes. He then asked the Budget Committee members for their opinions on the issue.

St. Onge said the town provides 88 % of funding for the library budget. He added he is bothered by the fact that most of the cuts come from the services they provide such as books, online subscriptions, audio books, programs and periodicals.

Johnson asked what was the original budget amount requested by the library director.

Trefethen said the total budget for the library is \$307,000 and \$280,517 was requested from the town. The request is now down to \$273, 787 he said.

Motion: (St. Onge, second Johnson) to reduce the town contribution to library budget to \$260,000. Discussion included what happens to unspent funds from last year, the motion and vote of Selectmen regarding the library budget and whether the library trustees are in compliance with state law with regards to the appointment of the trustees and legal postings for their meetings. Members also discussed the total amounts of the trust funds and disbursement of those funds.

The motion passed 8-0.

Member Jodi Connolly said she had asked a question at the previous meeting about the Police Department and \$7, 000 in supplies. She said there are police supplies and police office supplies line items for a total of about \$14,000. She added that the town office only uses about \$4,000 in supplies. There is also a separate line for equipment. When the equipment line is added to the supplies you are talking about expending almost \$25,000 Connolly said.

Trefethen said office supplies include forms, paper, ink, postage, maintenance of machines and printers. Connolly said she would like to cut the office supplies line item by \$2,000. She added that the department spent \$5,700 in supplies last year and suggested they could tighten their belts a little as the other town departments have had to do. St. Onge said the line item has already been cut by \$1,000.

Motion: (Connolly, second Young) to decrease the police office supplies line by \$2,000 from \$7,000 to \$5,000. The motion failed 1-7 (Connolly-yes, Titus, Young, Johnson, McCarthy, Pitre, St. Onge, Cataldo-no).

Member McCarthy asked about the Health Agencies and Hospitals line item that contains requests for contributions from non-profit and charitable organizations that provide services to

the town. He noted that the line is down by \$853 from last year. This section includes the 500 Boys and Girls Club who did not request a contribution from the town. This may be due to a change in the club's administration to new leadership not familiar with the process he said.

Motion: (McCarthy, second Titus) to add \$853 to the Health Agencies and Hospitals line item. McCarthy said that with the good the club does for the community, "It's (\$853) a steal". The motion passed 8-0.

3. Review of Warrant Articles:

Article 3(Operating Budget) - Asks the town to raise and appropriate \$6,312,731. The adjustments recommended by the committee thus far would change the total to \$6,303,357. Discussion and vote on this article was postponed until later in the meeting after the remaining articles have been decided.

Article 4 (Collective Bargaining Agreement with Police Department) - To see if the town will raise and appropriate funding for a two year agreement as follows: 2015(\$8,697) and 2016(\$26,770).

Motion: (Johnson, second St. Onge) to accept the article passed 7-1 (Connolly-opposed).

Article 6(Collective Bargaining Agreement with Public Works Department) - asks voters to approve the following increases and decreases included in the three year agreement: (2015) a decrease of \$8,341, (2016) an increase of \$16,652 and (2017) an increase of \$14,977. The contract includes 13 employees Trefethen said.

Motion: (Johnson, second St. Onge) to accept the article passed unanimously.

Article 8(Town Employees Obligations to CRF)- Asks to raise and appropriate \$5,000 to be added to the Town Employees Obligations Capital Reserve Fund to help the town pay out accrued leave time for employees who quit or retire.

Motion: (St.Onge, second McCarthy) to accept the article passed 8-0.

Article 9(Withdrawal from Special Revenue Fund/CRF- Cable TV)-Asks approval to withdraw and expend \$60,000 for the purpose of funding salaries and programming for the community cable TV and to renegotiate the cable franchise agreement. No amount of this request will be raised through taxation.

Motion: (Johnson, second St. Onge) to accept the article passed 8-0.

Article 10 (Withdrawal from the Special Revenue Fund/CRF- Police Outside Detail) - Seeks approval to raise and appropriate \$80,000 to fund Police Outside Details. The funds will come from the fund created for this purpose and will not be raised through taxation.

Motion: (Johnson, second St.Onge) to accept the article passed 8-0.

Article 11(Withdrawal from Special Revenue Fund- Main Street School Maintenance and Renovations Fund) - Asks to withdraw \$33,907 from the special revenue fund to maintain the

Main Street School facility (Municipal Building). No amount will be raised from taxation.

Motion: (Johnson, second St. Onge) to accept the article passed unanimously.

Article 12(Power Cot) –Asks if the town will raise \$19,470 to purchase a Power Cot for the ambulance. The article seeks approval to withdraw \$16,000 from the Fire Vehicles and Maintenance Fund and raise the remaining \$3,470 through taxation.

Motion: (Johnson, second Young) to accept the article passed 8-0.

Article 13(Police Cruisers) - Asks the town to approve the sum of \$38,000 for the purpose of purchasing one police cruiser with funds to come from the Police Outside Details Special Revenue Fund. No amount is to be raised by taxation.

Motion: (McCarthy, second St. Onge) to accept the article passed 8-0.

Connolly asked if the fund contains enough money to fund both Article 10 and Article 13. Selectman Proulx said a percentage of the funds from the payment of outside details go into this fund and there is enough money in the fund to pay for both articles.

Article 14(Withdraw from the Landfill Closure/Transfer Station Special Revenue Fund) - Seeks approval to withdraw \$31,429 from the fund for purposes related to the closure of the landfill/transfer station. No amount to be raised by taxation.

Motion: (Johnson, second Young) to accept the article passed 8-0.

Article 15(Landfill Closure Fund/CRF) - to see if the town will approve and raise \$51,407 to be added to the landfill closure fund. The sum comes from NH DES Solid Waste Landfill Closure Grant Program. No amount will be raised by taxation.

Motion: (Johnson, second St. Onge) to accept the article passed unanimously.

Pitre asked about the status of the fund and noted that landfill closures need a Super Fund designation. Trefethen said he did not know about the status of the Super Fund designation. He said the town is in the second year of a five year grant program and will be receiving \$51,407 for each of the next three years to be placed in that fund. The fund will be used to monitor water quality and take care of any issues related to the landfill.

Article 16(Petition Article to Purchase Poles for Christmas Lights) - seeks approval to raise and appropriate \$23,000 to purchase 26 30- foot poles to be used to hang the town's holiday decorations.

Member Gail Young asked if the Budget Committee must vote on petitioned warrant articles. Trefethen said the article must be discussed by the committee because it contains a request to raise funds. He said he will obtain clarification on the question but asked the committee to take a position on the article. If the committee's recommendation must be included on the warrant, he will add it and if it is not required, it will be omitted he said.

Johnson asked about the town's right-of-way for the sidewalks and the electric company's right-of-way for their poles. Trefethen said the electric company's poles are in the town's right-of-way and the town has authority over the poles. The town's road agent can erect the new poles, but they must meet certain electric standards about the height that wires are run.

Johnson asked if the property owners have any say about these poles going up on their property. Trefethen said he would have get advice on that issue. The town would be responsible for liability and maintenance of the poles he said.

Some members also expressed concerns about the aesthetics of proposal and said they would like to see something more pleasing to the eye like lamp posts. St. Onge said the lamp posts without installation cost about \$5,000 and would require underground wiring. Proulx said the cost would depend on the type of post and whether or not it is electrified.

Trefethen said he respects Tom DeJulio's efforts to find a way to continue the tradition of stringing the Christmas lights across the streets in the downtown area. The only way the town can do that is through one of ways proposed by the two petitioned warrant articles. All of the committee's concerns are all legitimate questions he said.

McCarthy suggested the town invest in the lamp posts for the immediate downtown area and use wood poles for the outlying section of the display area and avoid purchasing 30 poles.

Chairman Titus asked if there are grants available to beautify the downtown area that could be used to fund lamp posts. Trefethen said that could be considered a downtown beautification or revitalization project which may eligible for a CDBG or other grants. Johnson said there is a trust fund for plants, planters and other beautification purposes for the downtown that dates back from the 1920's. He said the Thayer Fund contains about \$6,200 but he does not know if the entire balance is expendable or only the interest earned. Chairman Titus asked if the town can contribute to the fund. Johnson said it is a private trust and the town cannot contribute to private trusts. Young suggested the town could set up a new trust or a fund to set aside money for this use.

St. Onge said he met with Tom DeJulio to determine where the poles would be installed. The installation of the new poles would not look like a picket fence as there are some places where there are 300 feet between poles he said.

St. Onge said he also talked with DeJulio regarding stringing the lights across the street from building to building. They determined that would not be feasible due to having to raise the lights up above the buildings in some cases to reach the required height to allow large vehicles to pass under them.

Members suggested DeJulio bring a diagram of the placement of the poles to Town Meeting. St. Onge said DeJulio is planning to discuss his plan at the meeting.

Trefethen then asked for a straw poll or a vote of the issue.

Chairman Titus said she was not sure the committee should vote on the article as the Selectmen have not finalized the issue. Trefethen said Selectmen will vote on the article at their February 23 meeting.

Chairman Titus asked why DeJulio did not attend the meeting to discuss his plan with the committee. St. Onge said he came before Selectmen to discuss it but did not know why he wasn't in attendance at this meeting.

Members expressed concerns about voting when they did not have answers to most of their questions.

Motion: (Connolly, second Johnson) to recommend the article as written failed 0-8.

Article 17(Petition Article to Purchase Poles for Christmas Lights)-To see if the town will raise and appropriate \$11,400 to purchase 26 30-foot poles and installation of six of the poles. The installation of the remaining poles would be addressed on separate warrant articles over the next four years at approximately \$3,700 per year.

Motion: (Johnson, second Connolly) to recommend the article failed 0-8.

Chairman Titus said the committee is not required to vote on Article 19, but wanted the members to be aware of the issue. She then asked Member Young, who is the Chairman of the Economic Development Committee, to read Article 19 and express her thoughts on the issue.

Article 19(Establishment of TIF District) - Asks voters to approve the creation of Tax Incremental Finance District promote economic development and allow the application and receipt of grants related to business development. Young reminded members that the Planning Board and the EDC will host an informational presentation of TIF Districts on February 17 at 6 p.m. at the Municipal Building. Trefethen said that the presentation will also be televised for anyone unable to attend the meeting and will be rebroadcast several times before Town Meeting.

Pitre asked if Strafford Regional Planning is involved in the presentation. Trefethen said the meeting will include a Power Point presentation and informational handouts. Planning Consultant Jack Mettee will be on hand to discuss the pros and cons of the proposal. Strafford Regional Planning is not involved in presentation he said.

Member Cataldo said we are looking at "Agenda 21" and asked if members were familiar with that plan. Chairman Titus said she was aware of it.

McCarthy asked if the members supporting the TIF District proposal have walked the area to be included in the plan. Young said the Planning Board hired a consultant to assist with the plan. McCarthy wondered if the consultant had walked the area. She encouraged him to attend the meeting to get his questions answered.

Article 20(To create the District and Set the Boundaries For the TIF District)- Seeks approval to create a TIF District containing 319 acres from just south of the Route 153 /Route 11 intersection west on Route 11 to Pound Road, and beginning at Rte.153/Rte.11 intersection running north on Rte. 153 to a town owned parcel. A map showing the proposed district will be available at the presentation and both articles will be discussed Young said. She encouraged everyone to bring their questions and concerns to the informational meeting. Chairman Titus then moved the discussion to Article 3.

Article 3(Town Operating Budget) - Titus stated that the new total for the town operating budget as adjusted by the Budget Committee is \$6,303,357. The article does not include individual warrant articles addressed separately.

Motion: (Johnson, second Young) to accept the article passed 7-1 (Cataldo-opposed).

Connolly asked what happens if Article 3 fails to get voter approval at town meeting. Johnson said it could be modified on the floor of the meeting and then voted on again.

McCarthy asked who would be responsible for getting an excavator to the proposed TIF District and dig up the cemetery that is located there. Members said you can't dig up an existing cemetery but would have to work around it. St. Onge said a cemetery can be moved but it is

complicated process that is not usually used. Chairman Titus advised he take the question to the TIF District presentation. Chairman Titus closed the Public Hearing at 7:55 p.m.

4. Other Business: None.

5. Adjournment:

Motion: (Connolly, second St. Onge) to adjourn the meeting passed 8-0 at 8 p.m.

Respectively submitted,
Kathleen Magoon
Recording Secretary