

Town of Farmington  
Budget Committee Meeting Minutes  
Wednesday, December 28, 2016

**Committee Members Present:**

Stephen Henry, Chairman  
Sylvia Arcouette, Vice Chairman  
Neil Johnson, Selectmen's Rep.  
Stan Freeda, School Board Rep.  
Jodi Connolly  
Elizabeth Johnson  
Sam Cataldo

**Committee Members Absent:**

Tim Brown, excused

**Others Present:**

Town Administrator Arthur Capello  
Resident Heidi Mitchell

**1). Call to Order:**

Chairman Henry 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). Application for Membership:**

Mr. Henry said he received an application from resident Heidi Mitchell requesting to fill a vacancy on the committee and asked her to come forward and speak with the members about her request.

Ms. Mitchell told the members she is a 10 year resident of Farmington and has budgetary experience and knowledge as a Treasurer for several non-profit organizations and as a Purchasing Agent for NH Hospital and has a lot to offer to the committee.

Mr. Henry noted that Ms. Mitchell checked off a one year or two year term on the form and explained that if approved she would hold the position until the next election in March. She could then run for election to a two or a three year position if desired he said.

Motion: (Arcouette, second Cataldo) to appoint Heidi Mitchell as a member of the Budget Committee passed unanimously.

Mr. Capello advised Ms. Mitchell to see the Town Clerk during office hours to be sworn in.

Mr. Johnson noticed the wrong form was provided which called for Selectmen to approve appointment to the committee which is not required for appointment to the Bud Com.

Mr. Capello said he will have Ms. Mitchell's information put on the correct form for the Chairman's signature by the next meeting.

**5). Review of Minutes:**

November 16, 2016 – No omissions or errors found.

Motion: (N. Johnson, second Arcouette) to accept the minutes as written passed 5-0-2 (Freeda, Cataldo abstained).

December 13, 2016 – No errors or omissions found.

Motion: (Freeda, second E. Johnson) to accept the minutes as written passed 6-0-1 (Cataldo abstained).

## **6). Town Reports:**

Mr. Capello said the Town is coming to the close of the financial year and the budget is in good shape. Some lines are over run and some are under run but after conducting a weekly cash analysis with the Financial Administrator the undesignated fund balance will contain about \$250,000 which could potentially be used to offset the tax rate he said.

### **Actual & Anticipated Revenues Report -**

Page 3, Other State Grants & Reim., Line 01-3359-97, Police Dept. Grant- Ms. Connolly asked what grant this line represents.

Mr. Capello said this item represents the speed and DWI grants awarded each year.

Ms. Connolly asked what the grant money is used for.

Mr. Capello said the speed grant is used for radar and enforcement and the DWI grant is used for additional patrols for drunk drivers on certain nights.

Mr. Henry asked if the grant specifies the nights for the extra patrols or if the Police Dept. chooses the nights.

Mr. Capello said the grant specifies the timeframe for the extra patrols but the Police Dept. chooses the particular nights.

### **Remittance Report-**

Mr. Capello reported that tax deeding of properties is down this year which means more people are paying their property taxes.

He said that next year the Town will sell some Town owned properties instead of putting them up for auction as has been done in the past. The next steps will be to bring a list of proposed properties for sale to the Board of Selectmen for their approval, order the "For Sale" signs to be placed on the lots and to post the available properties on the Town website he said.

Page 15, Fund 17 Ins. Settlement (\$184,544.76) – Ms. Connolly asked where this revenue came from.

Mr. Capello said this money came from the insurance settlement of the former Fire Chief Fowler embezzlement case. He said this amount does not cover the entire amount embezzled by the former Chief but is what the Town could get refunded in a settlement with the insurance company.

Mr. Henry asked what the designation "Fund 17" means.

Mr. Capello said it is an accounting term used to designate a particular fund such as Fund 13, Fund 15, etc. based on the number of accounts the Town has.

Mr. Henry asked if Mr. Capello anticipated these funds when the budget was being built.

Mr. Capello said he did not anticipate receiving these funds in this amount this year.

### **Actual & Budgeted Expenses & Encumbrances, Parks & Recreation Report -**

Mr. Henry noted that the dept. is doing well and asked if the reports include expenses/revenues through November.

Mr. Capello said the report represents the Rec. budget through the Dec. 21 printing date.

Actual & Budgeted Expenses, Line 04-4589-10-990, School Year Program (\$62,162 budgeted, \$ 25,139 remaining) - Mr. Henry said there is "quite a bit" left in this line.

Mr. Capello said the Rec. Director has just submitted some bills which may not have been included in the expenses for this line yet.

Mr. Freeda said there is still half a school year left so all of the funds would not have been expended for school year programs.

Mr. Henry said the Rec. Dept. works on a calendar year like the rest of the Town budget so half of the last school year and half of this school year should show up as expenses for this line in this budget.

Mr. Capello said the report represents the Rec. Revolving Account.

Mr. Johnson added the revolving account always maintains a balance in it.

Mr. Capello said this helps to offset the costs of the other programs.

**Actual & Budgeted Expenses & Encumbrances Report, General Fund -**

**Page 1, Executive, Line 01-4130- 90-290, Town Mileage** (\$500 budgeted, \$1885 expended) -

Ms. Arcouette asked about the increase in mileage month after month for the Town.

Mr. Capello said this line represents his mileage as Town Administrator and the budgeted amount will be increased in next year's budget as he tends to be more involved in things and goes to a lot of meetings and training, etc.

He said the Bud Com should be getting the Town's proposed budget within the next few weeks as the Selectmen will see the entire budget for the first time on Monday. They will review and finalize it and then it will be submitted to the Bud Com. He added that the budget which is up this year is actually down because of the additional revenues.

Mr. Henry said the tax impact is down due to more revenues but the actual budget is up.

Mr. Capello said the majority of the increased revenues come from vehicle registrations and building permits. There are enough funds in the Special Revenue Fund to pay the Building Inspector's entire salary for the year except for the first 13 weeks of the year, which must be budgeted for because the fund can't be accessed until after the March Town Meeting vote. He said the fund contains \$62,000 now and he expects to spend up to \$65,000 for the Building Inspector's salary.

Mr. Capello said there is also money left over from the Public Safety Building bond principle that will go directly to the bond payment.

Mr. Johnson said no additional bond payments are permitted and the Town can only make the scheduled payments outlined in the payment plan. The Town can pay off the loan sooner after the first 10 years have passed but cannot over pay at all during the first 10 years he said.

He said the Town did not have to finance as much as originally projected as the bond company gave the Town a \$210,000 credit to take out the bond.

Ms. Connolly asked if this will save money on the tax rate.

Mr. Capello said this would save some money on the tax rate and added that the Town got an interest rate that is 1 point lower than a neighboring community who are financing a Public Safety Building project with private financing. He said the effective interest rate for the bond is just less than 2.2%.

**Page 2, Financial Administration, Line 01-4150-95-215, Life/Short/ Long/ Finance** – Ms.

Arcouette asked what this line represents.

Mr. Capello said this refers to short term, long term and life insurance provided for full time Town employees in the Town Office.

Mr. Henry asked if the Town employees included in the State retirement system also receive 100% paid health insurance from the Town.

Mr. Capello said the Police Dept. pays 17% of their insurance coverage and the Fire Chief pays 12% of his coverage.

Mr. Henry said if the Town increased the amount it pays for the Chief's health insurance that for

every dollar paid for health insurance it costs the taxpayer a dollar, but for every dollar increase in salary costs the taxpayers \$1.38 (due to FICA and the required payment to the retirement system).

Mr. Capello said that increasing the amount for health insurance would be a broad base change that would have to be made by Selectmen because if it was done for one person it would have to be done for all. For the other Town employees this would amount to \$1.05 for every \$1 increase in wages as they are not included in the State retirement system.

Mr. Henry added there are a lot of things like Social Security, etc. that makes that \$1 wage increase in the employee's pocket cost the taxpayers a lot more than \$1. If we pay it in health insurance it would cost a dollar he said.

Page 3, General Gov. Buildings, Line 01-4194-10-430, Repairs/Maint., Town Hall Bldgs. (\$40,000 budgeted, \$65,204 expended) – Ms. Arcouette asked why this line has been over expended.

Mr. Capello said this represents repairs to the Municipal Building, the Town Hall, the concrete pad for the new Coast Bus shelter and the floor of the gazebo. This line will decrease to \$35,000 in next year's budget because of all the work done this year he said.

Mr. Henry asked if there have been any issues with the gazebo floor since the Trex was installed.

Mr. Capello said that to his knowledge there have been no issues with the new floor.

Page 4, Police, Line 01-4210-10-140, Police Dept. Overtime - Mr. Henry noted there has been a lot of Police overtime.

Mr. Capello reminded the committee that approx. \$9,000 of the cost was incurred due to the Trump campaign visit in January. The cost has been reimbursed but it is reflected as revenue and is not put back in this line he said.

Mr. Henry said if you remove the overtime cost due to the Trump visit the line is over spent by about \$5,000.

Mr. Capello said this is due some significant court cases prosecuted by the dept. during the year.

Mr. Johnson added there were 2 new officers in the Police Academy and now for the first time in several years the dept. is fully staffed which also increased the usual amount of overtime hours.

Mr. Freda said the Town has a half time Economic Development position and asked if there are any expenses for the position.

Mr. Capello said there are expenses for the Economic Development Committee but not for an Economic Development position.

Mr. Henry said the Welfare Director position was a part time position and the person who filled the position increased her hours to full time and picked up other duties.

Mr. Johnson said Selectmen did not create a separate position for Economic Development.

Mr. Capello said this person does perform some Economic Development tasks.

Mr. Johnson the total costs for all of her duties is reflected in her salary and is not allocated to separate areas of the budget for each type of task performed.

Mr. Henry asked where her salary is shown in the budget.

Mr. Capello said her total salary is found in the Welfare Director line (Page 10, Line 01-4441-10-110).

Mr. Freda asked for more information about what the other duties are and what is being

accomplished.

Mr. Capello said he will provide Mr. Freeda with the additional information.

Mr. Johnson added that hours for the Welfare Office have also been expanded from 24 hours to 40 hours a week.

Page 7, Administration Highway and Street, Line 01-4311-10-111, Part Time Help Highway (\$30,000 budgeted, \$38981 expended) - Mr. Henry said this line is over spent by quite a bit. Mr. Capello said the expense is due to snow plowing as it has been a tough couple of weeks weather-wise and the crews have had to go out more frequently due to defrosting during the day and then icing up at night.

Mr. Henry said it seems that this line is always over spent and it is always due to plowing.

Mr. Capello said the Highway overtime line is not over spent but the part time help line is over spent because it is tough to gauge what will be needed for part time help during the winter months.

Mr. Henry noted there is still more money left in the Highway Overtime budget if needed.

Mr. Capello then told the committee there is a potential for 2 contracts to come to the Bud Com for review and recommendation for the warrant for Town Meeting. He said the Town is still in negotiations for Teamsters (DPW) and Police union contracts at this time.

#### **6). School District Reports:**

Mr. Henry said the SAU representatives were not present at the meeting as the School District is on vacation this week.

#### **Grants Special Revenue Funds Report -**

Mr. Henry asked Mr. Freeda if there was anything he wished to report.

Mr. Freeda did not comment on this report.

There were no questions/comments from the committee members.

#### **All Funds Revenue Report-**

Page 2, Federal Revenues, Line 38, Title IVB- 21<sup>st</sup> Century #65324 and Line 41, Title IVB, 21<sup>st</sup> Century FY17 – Mr. Johnson asked if these lines are duplicates.

Mr. Freeda said this is the FAMEE grant for the after school program. He suggested one line is for the current grant allocation and the other line is for next year. He said he will ask SAU Business Administrator Laurie Verville for clarification on the matter.

#### **YTD Expenditure Report- General Fund -**

Mr. Henry asked if there were any new unexpected expenses since the last meeting.

Mr. Freeda said there were no unexpected expenses since then.

There were no other questions/comments on this report from the committee members.

**7). Next Meeting:** January 4, 2017 at 6:30 p.m. in the Selectmen's Chambers.

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

A). Library Budget Presentation – Mr. Henry said he received an e-mail from the Library Trustees requesting to be placed on the agenda to present their proposed budget to the committee.

Mr. Johnson said the library budget comes from the Board of Selectmen and after they forward the Town budget to the committee then the library can make a budget presentation. He said Selectmen have not yet made a determination as to what budget will be forwarded to the Bud

Com so any presentation before the determination is made would be premature.

Mr. Henry said he would schedule the library presentation once the Town budget is received.

B). School Board Rep. Switch- Mr. Freeda said that due to a change in his schedule that Alternate School Board Rep. Angie Cardinal will become the new School Board Rep. to the Bud Com and he will become the Alternate School Board Rep.

**9). Public Comment:**

A). Meeting Times- Ms. Mitchell asked for clarification of the meeting time for the next meeting. Mr. Henry explained that the regular monthly meetings start at 7 p.m. but other meetings expected to take longer are scheduled to start earlier such as the School District budget presentation which started at 6 p.m. The next meeting is a Public Hearing on the School District budget so it will start at 6:30 p.m. he said.

B). Fund Raising Event- Ms. Arcouette said that Jan. 25 is the next regular Bud Com meeting and that is also the date for a fund raiser for Friends of Farmington at Buffalo Wild Wings Restaurant in Rochester from 5 to 9 p.m. She said if Bud Com members would like to attend they can go in a little early to participate in the event. Ten percent of the cost of meal will be donated to the charity she said.

C). High School Basketball - Mr. Henry announced there is also a basketball tournament going on at the high school this week and suggested everyone attend for some fun basketball.

**10). Adjournment:**

Motion: (Connolly, second Arcouette) to adjourn the meeting passed unanimously at 7:50 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

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Stephen Henry, Chairman