

Town of Farmington
Budget Committee Meeting Minutes
Wednesday, September 27, 2017

Committee Members Present:

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

Others Present:

Arthur Capello, Town Administrator
Linda McElhinney

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 of Minutes:

August 23, 2017- No errors or omissions

Motion: (N. Johnson, second Connolly) to accept the minutes as written passed 10-0-1 (Connolly abstained).

5). Review Town Reports:

Actual and Anticipated Revenues-

Mr. Capello said that some revenues are up and some are down but are on target at this point. Revenues are up for Town property sold but vehicle registrations will probably not reach the anticipated amount he said.

Mr. Johnson asked when the tax rate would be set.

Mr. Capello said he hoped it would be set by the end of October but that it will depend upon when the School District gets all of their information submitted to the state.

Page 5, Line 01-3912-01, From Special Revenue Funds (\$215,000) - Mr. Lauze asked about the contents of this line.

Mr. Capello said this line incorporates the funds for the Special Revenue Funds accounts including Police Outside Details (\$90,000), Farmington Cable TV (\$60,000) and to pay the Building Inspector's Salary (\$65,000) that were approved at Town Meeting.

Remittance Report-

Ms. Connolly asked why the ACH's from the state agencies is not included in this report.

Mr. Capello said the ACH's are contained on a separate report generated by the Finance Administrator's office due to the different software that is used for the revenue reports. The Remittance Report is generated by the Town Clerk's Office he said.

Ms. Connolly asked if there was a way to merge the two reports.

Mr. Capello said the reports were merged and they were required to "un-merge" them last year.

Mr. Johnson said he would like to clarify that the period date on the reports are from January 1 until the date the report was printed. It shows the entire year up until the date it is printed and is not a monthly report he said.

Chairman Arcouette thanked Mr. Capello for answering the committee's questions from last month in a timely fashion.

Actual and Budgeted Expenses & Encumbrance-

Mr. Capello said that for the most part the budget is running on par but he has frozen a few budget lines such as office supplies, office furniture and cleaning supplies. Any expenditure for those lines must go through him with a reason for the expenditure he said.

He then told the committee he has started the budget process for next year with the dept. heads.

Actual & Anticipated Revenues-Actual & Budgeted Expenses & Encumbrances – Rec. Dept.

Mr. Capello said the committee may notice a slow decrease in the Rec. Dept. budget due to slowly migrating some items such as salaries and insurance from the operating budget to the Rec. Revolving account to more truly represent what should be contained in and withdrawn from that account.

Mr. Henry asked if this means fees for programs will be going up or if there is surplus amount in the revolving account.

Mr. Capello said the fees will remain the same and that there is enough money in the account to cover the employee salaries and insurance costs.

There were no other questions on the Town Reports.

Chairman Arcouette thanked Mr. Capello for attending the meeting.

6). Review of School Reports:

YTD Expenditure Report- General Fund-

Ms. Cardinal said the School District is still working on the details for the MS 25 which will be submitted to the NH Dept. of Revenue (DRA) and be used in conjunction with the Town's documentation to set the tax rate. She said the unexpended fund balance is \$182,308 with approx. \$154,000 going back to the Town to reduce the tax rate.

Ms. Connolly asked what will happen to the remaining approx. \$30,000.

Ms. Cardinal said that the balance will be going to the encumbrances listed on the report.

Chairman Arcouette then said some residents have asked for an explanation of the difference between the adopted budget, the revised budget and the amendments.

Ms. Cardinal said the adopted budget is the amount of money that came through on the ballot.

The amendment of \$94,753 was due to an error on a collective bargaining agreement warrant

article where language was missing so the district was not allowed to take tax funding from the Town to cover the collective bargaining agreement cost impact. The amendment resulted in a revised budget total of \$ 14,149,101. She asked the committee to reference back to the 2016 ballot for the difference in the budget numbers.

Mr. Johnson said Ms. Cardinal stated that approx. \$182,000 was left in the budget and \$154,000 was being returned to the taxpayers leaving about \$28,000 going for encumbrances but the report lists much more than that for encumbrances.

Ms. Cardinal said she would have to get back to Mr. Johnson about his question.

Mr. Brown asked if the remaining money was the 2% of the excess school district budget the district is allowed to keep by state statute but are not allowed to spend except in case of emergency.

Mr. Johnson said they would not be allowed to spend the excess funds without approval from the state and the Budget Committee.

Mr. Brown said that every year that there is a surplus budget up to 2% of the excess can be kept and asked if those funds are considered an emergency fund.

Mr. Johnson said that it is not an emergency but a line item in the budget that is always there and is not an outside fund.

Ms. Cardinal said the School Board discussion regarding this matter took place so long ago that rather than giving incorrect information to the committee she said she would get back to them with more information at the next meeting.

Mr. Johnson said he saw that the district pre-bought oil for next year and asked if they were able to make the purchase before the cost went up.

Ms. Cardinal said the purchase was made in May before the rate increase.

Page 32, Line 837, Transfer to Food Service- Mr. Johnson said there is an encumbrance of \$129,000 in this line and asked how the district could encumber \$129,000 in a line that only had \$3,000 budgeted.

Ms. Cardinal said that was the total of the outstanding invoices that are under dispute according to USDA regulations as of that date. She said some of it has been resolved since that time but she did not recall the actual dollar amount that has been resolved. She said she could not speak to the details of this matter in public but noted that the district had changed food service providers. She said if the dispute is resolved in the School District's favor the \$129,000 will come back to the district as part of the unexpended fund balance for the current school year. It may take about a one year lag time but the money would get turned back she said.

Mr. Henry asked if the dispute is with the federal government or with the food service agency.

Ms. Cardinal said she was not sure if she could answer his question in public.

Mr. Henry asked if the district has changed food service companies again.

Ms. Cardinal said the district has gone back to the company they were using 2 years ago. She the district is now using Café Services again and they are very happy with them.

Mr. Johnson asked when the district is expecting a resolution of the matter or if they expected it will end up in court.

Ms. Cardinal said she did not have a resolution date. There could be some additional unexpended funds shown for this October and for next October depending on when the issues are resolved she said.

Mr. Brown said that last month he asked about the revolving fund for school athletics (Page 4, Athletic Gate Receipts) and asked if there was an answer to his question regarding how the funds can be expended and if there is a need for a warrant article at Deliberative Session to create this special revenue account.

Ms. Cardinal said the answer is still in the works and the administration is triple checking with DRA per Mr. Brown's suggestion. There is no resolution to the question yet she said. She added they believe the fund to be set up correctly because they checked with the DRA when the policy was written (all gate revenues are to be placed in the general fund and used as off-set for athletic programs only) and got advice from the DRA regarding what type of account would be appropriate for the district's needs.

YTD Expenditure Report – Grants Special Revenue Funds-

There were no questions or comments on this report.

Mr. Brown said the Town Administrator reported that he has started the Town budget process and asked where the School Board sits with that process.

Ms. Cardinal said a copy of the draft budget development schedule was included in the members' meeting packets so the members could see where the district is in the process up to this date and to obtain feedback on the schedule dates from the committee. She asked Chairman Arcouette if the committee could begin a review of the schedule.

Chairman Arcouette said she would like the committee to finish their review of the budget first.

All Funds Revenue Report-

Ms. Cardinal said this report contains state and local grant money and looks at the revenue amounts for 2015, 2016, YTD for this year and the revised budget. She said there has been a significant decrease each year in the amount of funding received from the state and reviewed some of the highlights with the committee.

Ms. Cardinal said the district was awarded a \$100,000 grant over 2 years for additional student counseling related to substance misuse. She said they are also applying for 2 robotics grants to build up the extra curricula robotics program which will be funded through grants, donations or in-kind donations.

Mr. Henry asked if the grants were to fund those programs at the middle and high school levels.

Ms. Cardinal said the funds will be used for programs in grade three through grade twelve.

Mr. Cataldo said there is a robotics display for the schools coming up next spring and he will inform the committee of the scheduled dates/location when they are announced.

Ms. Cardinal said that during their review of the budget one of the School Board members was highlighting line by line some of salary totals that seemed a little significant at this point in the fiscal year but when the salaries are applied to the correct code in the correct building that the employees currently work in the amounts will "net off". Some of the administration/staff has been reassigned to a different building where their expertise and experience are now needed and

it shows the difference between what was planned 18 months ago and what is actually happening now. She said that some of it is also due to people leaving/retiring, new hires and changes in roles between schools.

7). Scheduling:

Chairman Arcouette asked if the members had an opportunity to consult their personal calendars in regards to their availability for the upcoming budget development process.

Mr. Johnson said most of the dates shown on the draft schedule compiled by the School District do not affect the Bud Com until Nov. 27.

Ms. Cardinal asked the members for feedback in regard to any of the dates that they are not available to meet. She said the schedule could be revisited at the next meeting if the members needed more time to look at their personal plans surrounding the dates listed.

School Budget due to the Bud Com-Mr. Johnson recommended the School District budget be delivered to the Bud Com by Nov. 22.

Ms. Connolly suggested the school budget be delivered to the members by Nov. 17.

The members discussed the dates suggested, the Thanksgiving holiday, if the Chair can set the dates, solidifying the dates by e-mail, voting to approve the dates and the possibility that the School Board may have the budget ready before Nov. 27.

Mr. Johnson then suggested the committee request the budget be delivered to them no later than Nov. 21.

Motion: (N. Johnson, second E. Johnson) that the school district budget be due to the Budget Committee no later than Nov. 21, 2017 passed 8-3 (Elbert, Henry, Cardinal opposed).

Public Presentation of the school budget to the Bud Com - Members noted that the Selectmen's Chambers are scheduled for use by the Conservation Commission on Dec. 13 as listed on the proposed schedule.

Mr. Johnson suggested the meeting be scheduled for Dec. 12 at 6 p.m. and said he will check on the availability of Chambers for that night.

Motion: (Connolly, second Henry) that the presentation of the School District budget be made to the Budget Committee on Dec. 12 passed 10-1 (Cardinal opposed).

Public Hearing - Consensus of the committee was to keep the Jan. 3 date for now.

Motion: (N. Johnson, second Cardinal) to hold the Public Hearing on the School District budget on Jan. 3 passed unanimously.

Second Public Hearing- Mr. Johnson noted a second Public Hearing listed for Jan. 11 and asked if this was in error.

Members suggested it was a possible snow date for the Jan. 3 Public Hearing.

Ms. Cardinal suggested it was included in case the Public Hearing on Jan. 3 needed to be continued as has been done in the past.

Mr. Henry said continuations are usually set at the meeting when the need arises.

Mr. Johnson added that continued meetings do not need to be publically posted ahead of time.

Motion: (Connolly, second N. Johnson) to keep Jan. 11 as a potential second Public Hearing date passed 10-1 (Henry opposed).

Mr. Brown said there were some issues with the deadlines for publication of the meeting dates in the newspaper last year and suggested someone check with the Town Administrator about publication deadlines for the upcoming meetings.

Mr. Johnson asked if the school default budget would be provided with the proposed operating budget by Nov. 21.

Ms. Cardinal said both budgets would be delivered to the committee as one package.

She then said she would obtain feedback from the School Board as to the amendments made to the schedule by the Bud Com and if they work out they will then be able to “set them in stone”.

8). Old Business: None

9). New Business: None

10). Public Comment: None

11). Adjournment:

Motion: (Connolly, second Cataldo) to adjourn the meeting passed unanimously at 7:45 p.m.

Respectively submitted

Kathleen Magoon

Recording Secretary

Sylvia Arcouette, Chairman