

**TOWN OF FARMINGTON
BOARD OF SELECTMEN
PUBLIC MEETING MINUTES
Wednesday, October 20, 2010
356 Main Street, Farmington, NH**

Selectmen Present: Chairman Paula Proulx, Vice Chairman Gail Ellis, Gerry McCarthy and Charlie King. Selectman Joan A. Funk was excused from the meeting.

Also Present: Jeane Samms of DRA, Kathy Seaver, Bonnie Lauze, Pamela Merrill, and Megan Taylor-Fetter taking minutes.

At 9:05AM, Chairman Proulx called the meeting to order for the purpose of setting the tax rate.

Jeane Samms distributed a template to approximate the tax rate. Jeane explained that Bonnie is presently in the process of making changes to the MS-1 which will affect the Towns portion slightly (negatively) to what shows on the template.

Currently, the template shows line 21, MS1 Valuation, as \$467,794,050

Jeane stated that the Selectmen need to decide on an overlay. Currently, they are looking at a \$6.954 town portion tax rate which would bring the total tax rate to \$21.62 which is .89 higher than last year's rate.

The school is: \$8.717

State: \$2.388

County: \$2.562

The school is up .50 from last year.

Paula Proulx noted that there was not a representative from the school present. Jean stated that Carolyn had another obligation today.

The schools amount takes into account buying down \$254,000 from unreserved fund balance – that was used for this years fuel-(bought out of last years funds). Turned over fund balance- \$265,000 ;they have \$247,886 in encumbrances for fuel that was ordered and not received.

Jeane stated that to buy down \$180,000 out of the fund balance would bring the fund balance down to 7%. Jean also said that the town traditionally appropriates \$50,000 for overlay to cover abatements.

Bonnie came back with the revised MS1 figures:

Line 21 change to: \$467,620,120

Line 23: \$462,706,060

With this adjustment in the MS1 the town portion of the tax rate would be \$6.678 (.11 higher than last year) and would bring the total tax rate to \$20.35.

If the buy down is 230,000, it would bring it down to \$6.571 (leaving a fund balance of \$941,381)

Charlie stated that the town cannot afford to keep buying the school portion down.

Pam stated that it is a Board decision for retainage of the fund balance. Jeane stated that the state recommends Municipalities keep 5-17 % in their fund balance.

With a \$50,000 overlay, and a \$230,000 buy down-the town portion would be \$6.571 with a bottom line of \$20.24 total tax rate (a school increase of .50 a total increase of .51).

Jeane stated that at a recent LGC budget workshop, they warned of possible state cut backs in revenues next year. Pam stated that revenues are down in motor vehicles and to keep in mind that the economy is unstable and next year we will not have the landfill fees. If the school moves, that would eliminate revenue as well. They are not under a lease, just tenants at will.

Paula asked if it was possible to get estimated revenues (a guestimate) in the possible drop in the overall budget?

Jeane stated that it is now state law that municipalities are audited. Pam signed a form stating information about the Towns auditing. Pam stated that the Town will have to pay more to contract an auditing firm to complete the Gatsby 35 which the current auditor, Mercier, only does a portion of. Most firms require full compliance and charge more. Gail suggested that they put out an RFP for auditing services.

Discussion on School portion: the school is up .50, they had a \$50,000 warrant article; out of unreserved fund balance and \$247,886 reserve for encumbered appropriations and they used the balance of \$265,506 to offset the rate.

Gerry suggested having a meeting with the School Board (SAU 61). They pay the Town \$30,000 per year for rent which includes all utilities except phone. Paula stated that it would be an increase/burden to the tax payer if they moved.

Charlie King motioned to move forward with the numbers discussed: \$50,000 overlay, 230,000 buy-down for a Town tax portion of 6.571 bringing the total tax rate to \$20.24. Gerry seconded the motion. All in favor.

Charlie King motioned to authorize Chairman Proulx to sign the DRA Overlay Budgetary Fund Balance Retention Form, Gerry seconded. All in favor.

Kathy Seaver stated that the cost to include a notice about the new Transfer Station in the tax bills would be .10 per bill. The Selectmen asked Megan to contact Alan to draft a notice to be included in the meeting packet for Monday for approval. Kathy needs it by Tuesday.

Resident Neil Johnson questioned and discussed with the Selectmen his previous tax bills.

It was determined that in 2007, the tax rate was \$17.51, in 2008: \$16.92 and 2009 \$19.73. In 2009 the Town took out \$419,000 of the fund balance, \$230,000 this year, a total of \$650,000. Gerry stated that it is because of the school.

At 10:00Am, Charlie King motioned to adjourn seconded by Gerry McCarthy. All in favor.

Respectfully submitted, Megan Taylor-Fetter, Selectmen's Secretary