

Town of Farmington
Budget Committee Meeting Minutes
Continuation of Public Hearing Recessed Jan. 10, 2024
Wednesday, January 17, 2024
Selectmen's Chambers
356 Main Street-Farmington, NH 03835

Committee Members Present:

Joe Pitre, Chairman
John Deering, Vice Chairman
Jess Parker, School Board Rep
Doug Staples, Selectmen's Rep
Jim Horgan
Bob Morgan
Jen Haskell
Angie Cardinal

Committee Members Absent:

Heidi Mitchell, excused

Others Present:

Jim Doig, SAU Superintendent Designee
Mackenzie Campbell, SAU Business Admin
School Board Members Stacy Lauze, Mary
Barron, Joel Chagnon
Residents Blanche Tanner, Tim Brown, Jen
Teague

1). Call to Order:

Chairman Pitre called the meeting to order at 7 p.m.

2). Pledge of Allegiance:

All present stood for the Pledge of Allegiance.

3). Continuation of Public Hearing on 2024/2025 School District Budget:

Chairman Pitre asked if there were any more comments from the public at this time.

Resident Blanche Tanner said she would like some more information on Warrant Article #3 (proposed operating budget) and that she was looking at the second page of the Warrant where it notes Fund 10 is \$16.4 million and asked how much of that actually is taxpayer money. Resident Tim Brown said about \$9 million.

Ms. Tanner said the aid that is coming into the district is about \$7.2 million and the new tax rate proposed is \$16.10 the old rate is \$12.76 and that's a difference of \$3.34 and asked if that is going to be discussed tonight.

Business Administrator Mackenzie Campbell said that's correct because the figure has changed. Ms. Tanner asked if it has gone down and if it was substantially or somewhat.

Mr. Campbell said he would consider it somewhat substantial and it's very noticeable.

Ms. Tanner said \$3 is a lot for some of us in town. She turned to Warrant Article #10 and asked if someone from the School Board could explain exactly what the company Mainstay does and

what their role is.

Mrs. Haskell asked for a second to find what she is talking about and if they are talking about Article #10 if they could do a high level what it is before the question is asked.

Mr. Campbell clarified that the warrant articles have been changed so the referenced article is now Article #8 and it reads: "to see if the district will vote to raise and appropriate the sum of \$120,528 for the purpose of continuing the Farmington School District IT contract with IT company Mainstay initially paid for by ESSER III revenues." He said Mainstay has taken the position of IT Director and they run all of the most imperative IT functions relating to security, dissemination of hardware and software as well as the administration of their IT dept.

Ms. Tanner asked if that amount of money is for a year.

Mr. Campbell said that amount of money is to finish the year in question with Mainstay.

Ms. Tanner asked for the article number for the School Resource Officer.

Mr. Campbell said that is Article #7 and read it aloud as follows for the public: "in the event the proposed budget set forth in Article 3 fails and the default budget is enacted, to see if the school will vote to raise and appropriate the sum of \$180,319.29 for the purpose of funding the School Resource Officers' contract with the Farmington Police Dept. If the district votes to approve the proposed operating budget under Article 3 then this Article 11 will be of no force and effect".

He said in essence they are covering their bases here to ensure that if the proposed budget is defeated which also contains this amount listed for the Farmington Police Dept. then they are still able to pursue the contract separately if that article is voted down.

Ms. Tanner asked if this is for 2 officers.

Mr. Campbell said it is for 2 School Resource Officers.

Ms. Tanner said this is based on the information Mr. Campbell gave her on what increased the budget and asked in the proposed budget where the line is for the School Psychologist and that she found on page 9 but it showed as being zero.

Mr. Campbell said in the budget binder it starts with the (what's included) page if you flip the page you'll see the School District's presentation for the budget and it is the 5th page she is asking about now titled "Cost Increases?" and noted that a lot of this was just changed yesterday. He said in previous deliberations they are not sure exactly when the deliberation occurred for one reason or another whoever was in charge of this budget removed the Psychologist from the budget so it reduced the appropriation to zero so the School Board decided to make the School Psychologist a separate warrant article and the cost now resides in a warrant article so it will be up to the voters to pass this position or not.

Ms. Tanner asked where the Data Manager and Math Intervention are located in the budget.

Mr. Campbell said the Math Intervention is located under the salary lines and there is no separate line for the Interventionist themselves.

Ms. Tanner asked for the cost specifically for that position.

Mr. Campbell said the total cost for the Math Interventionist position is \$105,681.11 and that's with all benefits offered to the position and it is for 1 person.

Ms. Tanner asked how the Data Manager is different from Mainstay.

Mr. Campbell said the Data Manager is housed under their IT team essentially it's an additional IT associate and the associate is responsible for maintaining Power School which is an IT application used for the student information system.

Ms. Tanner asked for the price on that.

Mr. Campbell said the total cost to the district is \$56,746.88.

Mrs. Haskell recalled that in a previous meeting he said that was a subject matter expert that we need in that role that we haven't historically had and we've had some bottlenecks because of the lack of an SME.

Mr. Campbell said the district's ability to efficiently operate Power School was diminished due to a period of turnover where every time they got someone trained they left so there were different circumstances of events over a period of years led to that degradation to where they had to commit a full position to it.

Mrs. Haskell said at the beginning of the school year she heard rumblings that because of the Power School management there was some down time as far as there was either duplicate effort for teachers entering information in Power School and then there was downtime from an educational point of view the first couple weeks of school.

Mr. Campbell said that's correct and it almost became an expectation that there were issues with Power School to start the year and that they were adjusting that with a new hire. He said there was a host of problems, some grades weren't making it in there, some things were not lining up correctly, schedule planning and parent information not showing up where it needs to and there were a lot data issues there that this person needed to come in to resolve.

Superintendent Designee Jim Doig said add into the mix that there was a gap of employment they had an individual leave and then there was a period of time where they were trying to manage without until they were able to get someone in place who is there now. He said in fairness to the process they did have and do have a consultant who was supporting the district throughout all this.

Ms. Tanner said on the page titled Proposed Budget FY 24/25 it showed the current operating budget, the proposed budget for FY 24/25 and the actual expenditures.

Mr. Campbell said that is page 3 or 2 pages from the cover sheet for the budget presentation.

Ms. Tanner said when she subtracted the actual expenditures from the proposed budget there was \$1.7 million difference and asked if that is due to the page of what's increasing the budget. She asked if she adds up all those things they just discussed-Mainstay and all these agreements if that would equal about \$1.7 million because that's the difference approximately.

Mr. Campbell said he may be able to answer that question better by going through the presentation. There are a lot of different cost figures we used he said.

Ms. Tanner said that's fine and then said that was all she had for now though she may be back up here again.

Mr. Doig said before they proceed they have 2 different source materials and the source material in the blue folder is designed to answer the questions that were raised at the previous meeting and the binder is primarily the business side of things and they were happy to go in whatever direction they would like.

Mr. Pitre said right now they are doing the public hearing so they will take the questions here and then close the public hearing.

Mr. Brown said it's his understanding that the School Board met yesterday and because school was in session it wasn't televised there may have been changes made to the budget so what would be helpful for the people that were here last week that had a budget he would like to know what the changes were that were made on Tuesday to bring us up to speed. I can't figure that out by looking in the budget right now he said.

Mr. Campbell said the first time they came and presented anything it was in Power Point format and this time he decided to just put it in a binder so it would be a little more hands-on and he will take them through the binder like any other presentation. He said this is designed to help them understand what has changed since the first time they met, what the School Board is proposing as a change to the Bud Com and it will answer Tim's question while addressing the concern they need to share with the public what has changed in transparency's sake.

He directed the committee back to the cover screen page in the binder and then flipped to Page 1 Overview. He said the proposed budget was designed and not in a literal sense specifically but they did a lot of combing through but they started with their actual expenditures number of last year. He said it wasn't like a copy and paste every single line in the budget so the new budget was go through and take what needed to be taken out and put in this budget. He said they focused on grant positions/services returning to the budget, they looked at-moving to what happened yesterday the board met and they discussed what the expectation of the fund balance this year would be and they used current spending to get an idea of what they were looking at at the end of this year compared to last year so that changed how they developed this part of the budget and what they changed. He said it's still the same kind of cost drivers so it's all contracts, insurance, benefits and there is nothing new here but they definitely changed the way they looked at it and they added some warrant articles to the list he proposed last week.

Page 2 Proposed Budget FY 24/25- He said the current operating budget through June 30, 2024 is \$16,041,841.40 and the proposed budget that they met yesterday to discuss and come to a final number which hasn't been voted on because they were waiting to actually implement the changes but they're here tonight in a meeting format as well. He said the proposed budget for 24/25 would be \$16,313,288 and that's a 1.67% change over this current year's budget ending June 30, 2024.

Page 3 Default Budget FY 24/25 Comparison- Mr. Campbell said this page details the default budget and the changes therein that were made. He said the current proposed budget is \$16,313, 288 and the default budget decreased a little and is now currently \$16,489,857.28. He said that number does not include the paving project that they found was in the 22/23 budget not the 23/24 budget and this is for 24/25. He said the difference between the proposed budget and the default budget is the default budget is \$176,569.70 higher than the proposed budget and primarily driving that change from when they first met until now is they took Mainstay back out of the proposed budget and put that cost to a warrant article solely for the taxpayer to decide. He said in addition they took out some other salary information as well as they are moving the Psychologist and Social Worker to warrant articles as well. This is helping drive that cost down but what increased the cost overall for the budget didn't change he said.

Page 4 Cost Increases?- Mr. Campbell said they have the Custodian and the Teacher agreements they have to honor, there is a health insurance increase of 8.2% that they need to meet with a dental insurance increase of 2%, the Mainstay contract is on a warrant article with the School Psychologist and the School Social Worker services. He said what increased their proposed budget again was the additional IT associate, the Math Interventionist making that clear that it is in the proposed budget where it was prior to the ESSER III funding, the district's general liability, Workers' Compensation and unemployment insurance increases and the SRO agreement that is currently in a warrant article and in the proposed budget.

Page 5 What Decreased?- Mr. Campbell said they are not continuing the YMCA program, they've taken out positions from the budget and made them into warrant articles and they are going to try to order as much supplies as they can through the grants through 09/30/24.

Page 6 Tax Rate Information- He said he touched on this last time and luckily he brought the correct photo this time so it is Farmington's tax rate breakdown for 2023 which is that number there which if you add the state education and local education it's a total school tax rate of \$14.67. He said the new proposed number they're estimating is about \$13.64 per \$1,000 and you would have to add any approved monetary article to that estimate. Those estimates are on the warrant sheet as well I only gave the estimate for what they're proposing he said.

Page 7 Estimated Revenues-Highlights- Mr. Campbell said this is an estimated revenue breakdown where he added more details about what he is expecting for revenues next year as well as the current Town appropriation which is their drawdown from the Town and what they're expecting to request from the Town next year in that local education rate.

Page 8 Estimated Revenues-Reimbursements- He said the estimated revenues has been expanded to a second page which includes their other funds. He said these funds have offsetting revenue so for every \$1 we spend we expect to get that \$1 back. He said for Food Service that doesn't always happen so there is a contribution line in their Food Service fund in their proposed budget however the Food Service revenue is still expected to cover the cost at \$503,640. He said the grant fund reimbursement from all other grants is \$1,212,397. He said

this is a different figure than the last time they came because before they lumped an ESSER number into that number and ESSER is being moved to its own warrant article and he will get to a detailed explanation of that further on but in short there's a separate cutout for what they need to appropriate for ESSER here and they're bringing this up because every \$1 that they spend in ESSER money they expect to receive back.

Page 9 Staffing- Mr. Campbell said he is lightly touching on it and Mr. Doig has prepared a document on this as well. He said the top part is 2 positions less as they hired 2 Para's just the other day. He said the rest of them as far as he knows are currently unfilled. He repeated that 3 positions or contracted services-the Psychologist service, the Social Worker service and the Mainstay services are being split into different warrant articles and the SRO's is a warrant article and it is on their proposed budget but it's not on the default budget.

Page 10 Trust Funds as of 09/30/23- He said the Trust Funds page hasn't changed and they can view that if they would like and ask questions or use that to answer questions when they get to the trusts.

Page 11 Warrant Breakdown and Vote?- Mr. Campbell said he was not expecting a vote literally this instance but he didn't know where he would go from here. He said they have a warrant packet and it's the last packet in their books and they can take it out if they want to look at any of those separately. He said it's important to note that the total Warrant Article 3 appropriation doesn't match that \$16 million number because he has to add in the other funds with their expected revenue to come back so the final number that they are proposing is \$18,029,325 for Article 3's appropriation all funds and the default appropriation would be \$18,205,894.28. He said there are a total of 19 articles and they were re-checked by legal today and he was told that all the language in there is completely legal. He said there is a CBA (collective bargaining agreement) article on that list for their Paraprofessionals and the total monetary value of all the articles if approved is \$21,423,152 if all of their proposed figures pass and that is only the value of that amount of money.

He said a big caveat for that is to raise money for all of their warrant articles they need to have a healthy fund balance so that number could change. He said the \$21 million isn't something that they're suggesting that they appropriate all together it's just the total amount monetarily that's on the sheet that he gave them and an effort to be transparent.

Mr. Campbell said for optimal district function it's imperative that all proposed articles pass as these are very important services and actions that we as a district and an administration are able to take so they are really top priority. He said a huge one is the ESSER III grant funding so if the board continues to go ahead and vote for the warrant article they are proposing to add to the list officially (it was taken out officially) but if they put that article back in it's very important that we accept that warrant article or we will not be able to use ESSER after March. That would cost us another over \$1 million the number I pinpointed earlier for ESSER the \$2.3 million would be lost. That's not something we want to have happen so I implore everyone here to

speaking highly of that article he said.

He said the District Attorney's words were "This is only a good thing" because for every dollar that we spend for ESSER money we receive a dollar back. He said other important positions and services are the Psychologist services, the Social Worker services, the Mainstay IT services and the School Resource Officers. I implore everyone to consider the weight of those articles carefully and thank you for your consideration in going back thru the budget proposal he said. Mr. Brown said he was a little mathematically confused on the new tax rate. He said the Town assessment is approx. \$572,000 and when he multiplies that number by the estimated tax impact he comes up with \$7,797,756.12 and that is a big difference from the \$9 million figure that was in last week's Warrant Article #3. He asked where the change is because the numbers didn't drop.

Mr. Campbell said when he looked at the Farmington tax rate breakdown for 2023 he took the tax effort for local education and divided it by the evaluation and he got the tax rate to the right hand side and he just duplicated that with the new numbers so it's only an estimate and he used this year's evaluation.

Mr. Brown said he agreed that the Town tax rate is set correctly and how you determine a tax rate is you take the gross appropriation on Warrant Article #3, you subtract your revenue and then you divide the balance by the \$572,000 that's the DRA formula. He said what you're seeing on the Town tax rate is what was raised by taxation. He said their budget last year was \$17,100,000 so he is not calculating the tax impact correctly and they have to take the overall gross appropriation in Warrant Article #3, subtract their revenues and then divide that number by \$557,000 and that will give you your general tax rate and you then subtract this year's tax rate from that number to get your impact.

Mrs. Cardinal asked on the Estimated Revenue-Highlights page the top line Town Current Appropriation is what he is calculating the local burden would be after the total amount that needs to be raised and appropriated, subtract the revenues just like Mr. Brown said and then the difference that he is getting is \$8.892 million.

Mr. Campbell said that's correct and then that would have to be divided by the valuation.

Mrs. Cardinal said that resulting tax rate if it was this large her calculation was \$15.55 and the DRA doesn't tell each local entity how to take the estimated tax impact line they don't tell us how to calculate that because they say go with precedence-what was in your previous warrant article so we always have a plus or a minus compared to the current rate of \$12.76 for the local education tax rate.

Mr. Campbell said so it's \$2.79 unless they have to subtract the state portion too.

Mrs. Cardinal said the premise behind it is when she walks into the Town Hall as a voter and she gets her sheet and she is going to fill in yes or no on these questions because our school warrant goes in as a yes or no ballot she wants to know if she says yes to Article #3 how much her tax rate is going to go up or going to go down and then if she says yes to anything with an

appropriation. She said some of the articles the way they are written do have that impact as a plus or minus just Article #3 for some reason this line was put in as what the...

Mr. Campbell said he didn't know whether or not to calculate the increase vs. what the value would be of what they're requesting from the Town.

Mrs. Cardinal said the reason for that is just consistency from year to year.

Mr. Campbell said they would be sure to do that next time so it's consistent.

Mr. Staples asked if the tax impact is \$2.79 on every \$1,000 if everything passes.

Mr. Campbell said if the proposed budget passes.

Mrs. Cardinal said if Article #3 passes as written and it moves on this way.

Mr. Staples asked if that is without the rest of the warrant articles.

Mrs. Cardinal said that's correct.

Mr. Morgan said if he understood it correctly the calculation he used to propose this budget is the same as last year's budget with an increase of inflation for salaries.

Mr. Campbell said it's for the default it's necessary cost increases only and sometimes necessary can be debated from a legal standpoint but their attorney checked this one and it meets the criteria for a default budget.

Mr. Morgan said he looked at the spending for last year ending 06/23 under the Fund 10 report they had teachers that they spent \$793,610 for and it was proposed for this year \$910,555 a difference of \$116,945.

Mr. Campbell said the salaries are budgeted but they may not spend a whole salary if they still have unfilled positions so they still have to budget for the district can afford to have especially with the default they start with the same budget as the previous year.

Mr. Morgan asked if they have 14 positions vacant right now.

Mr. Campbell said mostly teachers which are expensive.

Mr. Morgan said the cost of the proposal was \$879,369.20 for the positions that are unfilled and asked if that number was still accurate.

Mr. Campbell said he didn't have the new Para's on this sheet and they would have to subtract the Para's from that. He said he would subtract from that number roughly \$64,000 as an estimate and that becomes \$815,594.14.

Mr. Morgan asked if that number includes the FICA and retirement.

Mr. Campbell said it's the total cost. He said that is an average estimate and he didn't have the true figures for the 2 Para's they just hired and he didn't have the actual cost because they haven't hired anyone for these positions.

Mr. Morgan asked how long these positions have been open.

Mr. Campbell said he didn't know and it would depend on the position.

Ms. Tanner asked how the district has been filling in those vacancies, what has been going on and if other people have been doing double duty.

Mr. Doig said as vacancies appear in the schedule and they have available staff they have been

filling those classes that way.

Ms. Tanner asked if those people filling in are getting additional pay.

Mr. Campbell said there are incentives for positions like Para's and teachers to do additional work as mandated by their CBA's and then there are substitutes that come in to help.

Ms. Tanner asked if all the money that was budgeted for those positions some of that has been used for filling in those jobs or if the money that was budgeted was just sitting there because it was never used for those positions.

Mr. Campbell said if it is the CBA it is their job to budget for it anyway.

Mr. Morgan asked if the Vice Principal is still serving as the Vice Principal and Athletic Director.

Mr. Campbell said that is correct.

Mr. Morgan asked for the reason for the increase of \$30,000.

Mr. Campbell said that's his Athletic Director stipend.

Mr. Morgan asked if both of those positions made him a full time employee.

Mrs. Cardinal said the Asst. Principal position is a full time position in and of itself.

Mr. Campbell said that's correct.

Mr. Morgan asked if he is getting the extra \$30,000 for being the Athletic Director also.

Mr. Campbell said he was going to have to look at that and then said he did not see an increase in salary there and he saw the same amount \$34,000 for the Athletic Director is still proposed as \$34,000 for the Athletic Director. He said he receives the stipend half way thru the year and at the end of the year.

Mr. Morgan asked if that is in overtime.

Mr. Campbell said they are 2 different jobs so he can't earn overtime as the Vice Principal or for being the Athletic Director it's just a stipend for a job he agreed to do separately.

Mrs. Haskell said just because he's the same person doing 2 different jobs doesn't mean he could do those 2 different jobs under one salary.

Mr. Campbell said that's correct.

Mr. Brown said he wanted to talk history on that last comment and at one time when Cheryl Peabody was here she was the Vice Principal half-time and the Athletic Director half-time and subsequent to that the intent was to fill an Athletic Director position and have a full time Vice Principal and the way it stands now you've got one person doing both jobs.

Mrs. Haskell said he's full time and he's always working.

Mr. Campbell said their athletic programs haven't deteriorated or it would be bubbling up to them that stuff isn't getting done. He said the position is outside the duties of the Vice Principal so he is there in school during the day and he is doing the Athletic Director responsibilities on top of that as well and it's not an overtime situation or a rate per hour position.

Mr. Staples asked how many hours a week he works as an Athletic Director.

Mr. Doig said he does it within the confines of his full time Principal-ship.

Mr. Staples said so he's double-dipping.

Mrs. Haskell said don't use that phrase and she didn't think that was a fair phrase to use.

Mr. Staples said he just said he's doing it at the same time as he is being paid for being Vice Principal. Technically that would be double-dipping he said.

Mr. Doig said at one time he was an Asst. Principal and was also the Athletic Director at a middle school so when he says he's doing it within the confines of his full time 40 hour position it means that he can get the job done it doesn't mean that it's easy but he is getting it done.

School Board member Stacy Lauze said the person in question is a full time Asst. Principal and a half-time Athletic Director so during the day he is at the school as Vice Principal with all the duties that entails and every night during the week he has to be at every game because they have to have an admin there so if you're at a game at the junior high or high school he is there and most likely he is at the away games too.

Mrs. Haskell said she has been to all of the high school away games and he has been to every single one. She said the reason why she is passionate about this is because she called it out a couple of weeks ago that he is the first Athletic Director that she has seen go to away games in general but every single one of them and it doesn't matter if the game is 2-3 hours away it is his own time that he is going to those games.

Mrs. Lauze said he's coming into work at 7:30 a.m. and if there's a game which chances are especially in winter there's a game pretty much every night of the week he's not leaving until 9 p.m. or that's when the game gets over and then there's the cleanup, pack up and lock up.

Mr. Staples said if he was doing it during the day while he was also Vice Principal he would be getting paid twice for the same time.

Mr. Campbell said that would be a more conflicting situation.

Mr. Pitre asked if there was any more public comment.

Mr. Brown said looking at Warrant Article #3 they're going to raise and appropriate \$18,029,325 and on the note section \$16,489,857 is Fund 10. He said on Fund 22 historically that number is \$900,000 and it's now up to \$1,212,397. He asked if we are going to bring in \$1,212,397 in federal funding or if part that money is ESSER that has now been placed in a warrant article. He said that \$18 million we've never seen that number in our budget last year it was \$17 million or last year's was higher but last year's number also had \$1,100,000 in ESSER money in that general appropriation. That \$18 million number if it's not accurate that's really going to scare the taxpayers based on what we have historically seen so it would be nice to know what that gross appropriation is he said.

Mr. Campbell said the number corresponds to ARP Homeless Children and Youth Grant, IDEA 22-23, IDEA 22-23 Preschool, IDEA and IDEA Preschool 23-24, IDEA and IDEA Preschool 24-25, Title I, Title II and Title IV and these are all grants that have either been approved or changed and it does not include ESSER which is separate so this is the grants spending that is not ESSER related. He said unlike in years past they have budgeted more of their allocations in those grants and essentially it's the taxpayer saying it's okay to spend those dollars and get the dollars

back and that's what that is indicative of is every other grant except ESSER and then the board is proposing that ESSER be put into Warrant Article #4.

Mr. Pitre asked if they were expecting to get \$1.2 million.

Mr. Campbell said he would love that if not more if they get more grants approved.

Mr. Pitre said what they can spend because it has to be appropriated.

Mr. Campbell said he would rather have a higher appropriation and know he can spend it and get it back than not.

Mr. Pitre said if it's appropriated they can spend it whether they get revenue for it or not.

Mr. Campbell said he has to make sure the revenue matches and the government is not going to approve grants that are higher than what they've allocated.

Mr. Pitre said we are normally around \$900,000 in grants.

Mr. Campbell said but they were missing a bunch of grant allocations in previous budgets and they were a year behind in ESSER alone and there was a lot of damage done to those grants.

This is me catching us up he said.

Mr. Pitre asked how they would get them refunded or funded.

Mr. Campbell said the Dept. of Education will not approve something that it won't get back. He said this is the total he can spend and receive back he can get less but he can't do more. The DOE won't let me go above the budget or the allocation he said.

Mr. Pitre said that's correct so it's up to us to make sure that we budget it correctly.

Mrs. Cardinal said the whole purpose of Article #3 in terms of the voters approving an amount to raise and appropriate means what's the size purse the school district can have for that one school year and it isn't intended to mean that locally we're going to raise that amount of money. She said that number has shock value for a lot of folks for example the first time they come to the Deliberative Session so we have to make sure we articulate that extremely well. She said she liked the page in his presentation that shows here's the current tax rate and here's how the math works and if they can mirror that here's the proposal and here's how that one page would look if they were to move forward with the current plan that says okay to Article #3. She said the risk lies in looking into our crystal ball making sure that any expenditures that we sign the district up for are in fact covered where they can be by those additional revenues and then the burden doesn't fall back on local taxation again.

She said the way we do that is by turning back funds each cycle at the time that the tax rate is set. The timing just works that way because the school district is on a fiscal year and the timing in which the Town and the Select Board have to set the tax rate the crunch happens in Oct. or in Nov. sometimes but that's when we get to see how well we did as a community holistically against what we said we were going to need from our local taxation vs. where we were successful raising revenues in other ways whether it's gaining funding from the state, gaining funding from federal aid it all comes out of our collective pocketbooks when we're all gainfully employed and paying our taxes in that respect. I think the most successful years that I've seen

living here for 10 years, my husband grew up here so I hear stories from years ago, is when private grants are achieved. The private grant funds is where I've seen this district can really make huge gains in terms of achieving educational goals while still balancing the burden on our community because we've been throwing out the \$400 million-\$500 million tax base. That's puny in this state we need a much larger tax base she said.

Mr. Campbell added that the money in Article #3 for the grant budget is not raised thru taxation it's a float on what we're raising for Article #3's proposed budget or default budget. He said they are asking permission to use your cash flow to float a grant expense and then receive that amount of money back which is driving that number up. He said it's the revenue that is making those expenditures in addition to the proposed budget otherwise we can't spend money that we don't have.

Mr. Brown said his question becomes on all the IDEA and federal money if you read Article #3 from where it says "the amount set forth in the budget..." the total appropriation is \$18 million, we have a Fund 10 budget presented to us tonight and while going thru his paperwork it talks about the amount set forth posted with the warrant so for that \$18 million we need line items and asked if they have documentation tonight as part of this public hearing that shows the IDEA monies and revenues that are coming in that's going to offset this taxation.

Mr. Campbell said he could start going right thru it.

Mr. Brown asked if they have written documentation on the record of what the additional money is over the \$16 million to comply with what we're supposed to have. He said they are supposed to discuss and present line items on every amount appropriated at this public hearing and the reason he is asking is because if they don't do that and somebody calls us on it that money is gone.

Mr. Campbell said he included a grant breakdown in the first budget presentation but he didn't have here tonight and he was not sure how this committee wanted to handle that.

Mrs. Cardinal asked if it was the page just ahead of the warrant articles.

Mr. Campbell said no unfortunately that is the revenue section.

Ms. Tanner came forward and gave her copy of the grant budgets to Mr. Campbell.

Mr. Campbell said this is the wrong one because he put ESSER into that one. He said what he is trying to do is take the total amount allocated in each of these grants right here (while holding the page up to show the committee) and asking permission to float the money to spend it and it doesn't include this ESSER.

Mr. Brown said his comment to the Bud Com and the School Board would be if we're going to raise and appropriate \$18 million we know before the Bud Com takes any action whether they raise or decrease...

Mr. Campbell interjected they're not raising \$18 million per se.

Mr. Brown said they're raising and appropriating \$18 million.

Mr. Campbell said if they spend the money and get it back.

Mr. Brown said Warrant Article #3 raises and appropriates...

Mr. Campbell interjected up to the amount there is how the lawyer said it to him.

Mr. Brown asked the Chair if he could have the floor. He said what he is asking to cover the School District is tonight they discussed the IDEA that covers the public hearing-it was discussed. He asked when they post the warrant to please post those federal monies with it so somebody doesn't challenge it and we don't lose multiple millions of dollars is his comment. I think we're okay for tonight it was discussed and it's on the record and the Bud Com can do what they want to do with it. But please post it in compliance with Warrant Article #3 he said. Ms. Tanner asked when he says post it if he means post it on the website or post it at the meeting.

Mr. Brown said in 2 public places.

Ms. Tanner asked if they've done that in the past.

The School Board members in attendance said yes.

4).Close Public Hearing:

Chairman Pitre asked if there were any more public comments. Hearing none he closed the public hearing at 7:58 p.m.

5). Review and Debate 2024/2025 School District Budget to Final Product:

Motion: (Morgan, second none) that we reduce the bottom line budget by \$879,368.29 by removing the 14 positions consisting of 2 maintenance, 2 Paraprofessionals, 7 teachers and 3 transportation positions;

The motion failed due to the lack of a second.

Motion: (Cardinal, second Haskell) to approve Article #3 as written;

Discussion: Mrs. Cardinal noted that it says "The School Board (recommends?) this appropriation (?-?)" and asked if that means the School Board has not taken a vote on Warrant Article #3 as it was presented to them tonight.

Mrs. Lauze said they voted on it yesterday and the vote was 4-0.

Mrs. Cardinal asked if it was for these dollar amounts in Article # 3 as you see them printed here \$18,029,325 for the proposed budget and \$18,205,894.28 for the default budget.

Mr. Chagnon said that's right.

Amendment: by Mrs. Cardinal: the estimated tax impact of \$2.79 per thousand; She said the emphasis is on the "impact" and that she was correcting the statement because currently it reads an estimated tax impact of \$13.64 per thousand and the correct way to estimate the tax impact is to replace \$13.64 with \$2.79.

Mr. Brown called point of order and said he respects what Mrs. Cardinal is trying to do and she is correct but that has to come from the School Board the Bud Com does not set tax impact.

Mr. Campbell asked if the School Board could vote to do that now.

Mrs. Cardinal said their motion was to recommend Article #3 with that amendment to the tax

impact. That's what the Bud Com recommends and then we would vote on whether or not this committee as a head count vote recommends the Article #3 for the dollar amounts to raise and appropriate and with the tax impact as recommended she said.

Mr. Pitre said if it has to come from the School Board he can recess this meeting for 5 minutes. He asked if the board posted this meeting.

The board members and Mr. Campbell said yes.

School Board member Mary Barron said what the School Board put on there was \$13.64 and what they're saying is if you adopt Article #3 that will be the listing on your tax bill. She said that's how much it's going to be as opposed to she understands what Mrs. Cardinal is saying in that they want the people to not think that their tax rate is going up by \$13.64 the impact is the difference between where it was and where we're going.

Chairman Pitre called for a 5 minute recess at 8:04 p.m.

The School Board members gathered in the back of the room to discuss this matter.

Chairman Pitre reconvened the meeting at 8:08 p.m. He asked if somebody from the School Board would like to report to the folks at home.

Mrs. Parker said they just voted to update the estimated tax impact to \$2.79 and it was approved 4-0.

Mr. Pitre right now they are discussing the amendment to Article #3 and asked if there was any more discussion on Article #3.

Mr. Staples asked if they switched over the ...

Mr. Campbell he put the new description in there for them of the lease payment.

Mr. Staples asked if he broke it up.

Mr. Campbell said he didn't break up the amount because he didn't have that but he did put the language in there.

Mr. Staples asked what he had for an amount on the lease payment.

Mr. Campbell said he has a line for the lease payment and he totaled the total amount of electricity that they're proposing which didn't go up. He said he just didn't break it out he didn't have the documentation he needed with him to do that and he can properly split that out at any time and give it to him or the board.

Mr. Pitre said he would have to cut off this discussion because they are talking about the amendment now nothing else.

Mr. Staples said they are on Article #3 which is the budget.

Mr. Pitre said they are discussing Amendment 1 which is whether or not to put the \$2.79 and asked if there was any more discussion on Amendment 1 of adding \$2.79 to Article #3.

Mrs. Barron said she (Mrs. Cardinal) could withdraw that because the School Board has corrected what her amendment would have been.

Mr. Pitre said that was a good point and Mrs. Cardinal could withdraw her amendment or the committee could vote on it and just vote no.

Mrs. Cardinal withdrew her motion and Mrs. Haskell withdrew her second to the motion.

Mr. Pitre said they were back on Article #3 the main motion and asked if there was any discussion on the main motion.

Mr. Staples asked for the total power for the budget.

Mr. Campbell said the total electricity for the district is \$249,051.

Mr. Staples asked roughly how much he thinks it will be for the lease.

Mr. Campbell said out of that line approx. 1/3 to 1/2 somewhere in the middle there and the other half of the lease payment is coming from Eversource.

Mrs. Haskell asked Mr. Staples where he was going with that.

Mr. Staples said if there wasn't a line in the budget and then paid a lease they could probably get in some trouble because they're using money that was set aside for a power bill to pay a lease that wasn't in the budget so that would have been inappropriate.

Mr. Pitre asked if everybody was good with that explanation and the members said yes. He then asked if there was anything else on Article #3.

Mr. Brown asked how they appropriate money for a lease that wasn't legally founded so you have an RSA looking at the handouts tonight they're saying no Request for Proposals was required by local policy. He said there is an RFP required by RSA 21 and this project never went out to bid. He said secondly, the only way you can appropriate a lease is by warrant article appropriation with an escape clause and that's RSA 31. He asked how they unlawfully appropriate money at the Bud Com level.

Mr. Doig turned the committee's attention to the blue folder and to the page that has the balance scale at the bottom (titled Lighting Project).

Mr. Campbell said it's a line for a lease payment that the board entered into.

Mr. Staples said he wasn't on the School Board and he wanted to make sure that they weren't setting them up to fail.

Mr. Doig began at the bottom of the page with the note with the explanation for the funding and read that "the budget-neutral approach is that your MLC lease purchase payments are specifically set up to be lower than the savings you will achieve by reducing your energy consumption and energy spent. By holding your electric budget at present levels, the savings will accrue as unspent budget and annual payments for the lease purchase are made from the budget account using the accrued savings."

He said right above that they did a little history research and found that in 2021 the Farmington voters passed Warrant Article #11 that empowered SAU 61 to enter into a contract for the purposes of upgrading the lighting throughout the district. He said he couldn't speak to Mr. Brown's question about the RFP but the NH Municipal Assoc. states that as a general rule there is no state law requiring competitive bidding for town contracts and purchases unless a public official is involved as one of the sellers or contractors.

He said they do have a School Board policy under procurement it's Section DAF-3 and he noted

the first bullet point and underscored the words "matching funds" because this is not intended as matching funds. He said a little further down in the School Board policy it reads "to foster greater economy and efficiency, the District may enter into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services" in this case lighting. I apologize if that doesn't fully answer the gentleman's question but to the best of my ability that is the information I was able to provide for you he said.

Mr. Brown said he was telling the Bud Com there is an RSA, RSA 21 and he can find it and read it into the record and that Section 2 requires all energy contracts to go out to public bid. He said the School Board purchasing regulations don't apply because state law supersedes local purchasing regulations (RSA 21-I Section 2). They can't do it he said.

Mrs. Haskell said she would like to look up what Mr. Brown was referring to.

Mr. Staples asked if this was in last year's budget when it was passed.

Mr. Campbell said no.

Mrs. Lauze said she believes the Town also used Affinity with Eversource and did this same project a few years back and she didn't know if they put it on the warrant and followed the pathway that Mr. Brown just suggested but she didn't know if anybody knows that information. I know it's been done before I just don't know how they went about doing it she said.

Mrs. Cardinal said in terms of the business that's before the Bud Com tonight for the purpose of this public hearing to move warrant articles with or without recommendations from the Bud Com this particular question or concern-and then asked the members what does the path that this line of questioning takes us and what does that do to the business that they have at hand and that is to recommend or not recommend each warrant article with an appropriation.

Mr. Staples said his only concern was that they had a line in there so they could legally pay the lease however they legally obtained the funding and all that is not their privy that's to the School Board and their legal team. I wanted to make sure they could legally pay the bill he said.

Mrs. Cardinal said for the School Board legal recourse in terms of should they need to hold a separate public hearing in order to obtain the voters' approval to pay the lease using funds that are raised and appropriated under Article #3 if that's the path that their legal advice gives them does it change the business they have in front of them tonight.

Mr. Staples said the only thing he needed to change was they were going to pay it from the part that says the power bill but it wasn't the power bill it was a lease payment and that's why he asked him to apply that to the new budget.

Mr. Campbell said it's not an energy project it just happens to save us energy.

Mr. Brown said for the record it's the Bud Com that is recommending the money to go forward so in essence they are recommending an appropriation and on the record they are recommending an appropriation that is illegal under state law. He read that the state law says "energy performance contract" and that's what this lighting project is it's an energy performance where you're leasing equipment to save money on electricity.

Mr. Campbell said it's for lighting. He said the lighting saves us money because it's more efficient lighting it's not the point of the project.

Mr. Brown asked so it's not to save money on electricity.

Mr. Campbell said he wouldn't buy something just to save money he would buy lighting if they need lighting and save money with the better proposal.

Mr. Staples called the question.

Mr. Brown said it's not a question it's a point of order.

Mrs. Cardinal said Mr. Staples was calling the question on her motion to approve Article #3.

Mr. Pitre then called for the vote on calling the question.

Vote: calling the question passed unanimously 8-0.

Mr. Pitre then called for the vote on the motion on Article #3 to approve \$18,029,325.

Vote: the motion passed 8-0.

2024 School Warrant- Mr. Pitre said now they have to go through the school warrant and asked individual members to read the articles aloud and they did so as follows:

Article #4- "Shall the district raise and appropriate \$2,327,699.74 for the purpose of funding such permissible District operations and projects as approved by the School Board and the State of New Hampshire Department of Education, said monies to come from the ESSER III Grant and no monies to be raised through taxation. Further to authorize the School Board to apply for and accept said ESSER III Grant monies and expend the same for the purpose set forth in this article. (Majority vote required). The School board (recommends?) this appropriation (?-?). The Budget Committee (recommends?) this appropriation (?-?)".

Mrs. Parker said during the flag debacle the board voted 4-0 to recommend this appropriation.

Motion: (Horgan, second Staples) to recommend passed 8-0.

Article #5- "to see if the District will vote to approve the cost items included in the collective bargaining agreement reached between the Farmington School Board and the Farmington Education Support Professionals United NEA-New Hampshire NEA which calls for the following increases in salaries and benefits at the current staffing level over the next 3 fiscal years: 2024-2025-\$49,735.54; 2025-2026-\$81,601.52 and 2026-2027-\$113,082.59. Total over three years: \$244,419.65 and to further raise and appropriate \$49,735.54 for the current fiscal year such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels. (Majority vote required). (\$0.43 per thousand) The School Board (recommends?) this appropriation (?-?). The Budget Committee (recommends?) this appropriation (?-?).

Motion: (Cardinal, second Haskell) to recommend Article #5 as written passed 8-0.

Article #6- to authorize the governing body to call a special meeting if Article #5 is defeated to address those cost items isn't a monetary article and doesn't require a Bud Com vote.

Article #7- In the event the proposed budget set forth in Article #3 fails and the default budget is enacted, to see if the school will vote to raise and appropriate the sum of \$180,319.29 for the

purpose of completing the School Resource Officers' contract with the Farmington Police Department. If the District votes to approve the proposed operating budget under Article #3 then this Article #11 will be of no force and effect. (Majority vote required). The School Board recommends this appropriation (?). The Budget Committee recommends this appropriation (?).

Motion: (Cardinal, second Morgan) to recommend Article #7;

Discussion: Mrs. Cardinal asked if the School Board recommends this appropriation.

Mrs. Parker said they approved the rest of these this just wasn't updated.

Mrs. Lauze said that's correct and they were all approved 4-0.

Vote: the motion passed 8-0.

Article #8- To see if the school will vote to raise and appropriate the sum of \$120,528 for the purpose of continuing the Farmington School District IT contract IT company Mainstay initially paid for by ESSER III revenues. (Majority vote required). (\$0.21 per thousand) The School Board recommends this appropriation 4-0. The Budget Committee recommends this appropriation (?).

Motion: (Morgan, second Deering) to recommend Article #8 passed 7-1 (Cardinal opposed).

Article #9- to see if the school will vote to raise and appropriate the sum of \$135,800 for the purpose of continuing the Farmington School District Staffed Position & Service: "Psychologist" initially this position was offset by ESSER III Revenues, grant ending 09/30/2023. (Majority vote required). (\$0.23 per thousand) The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Mrs. Barron corrected the grant is ending 09/30/2024.

Mr. Staples asked how they are paying for the current Psychologist and stuff the school has.

Motion: (Staples, second Haskell) to accept;

Discussion: Mr. Campbell said it's still ESSER and its permission to take them out of ESSER and put it in the proposed budget.

Vote: the motion passed 8-0.

Article #10- to see if the school will vote to raise and appropriate the sum of \$110,000 for the purpose of continuing the Farmington School District Staffed Service "Social Worker" a position staffed via contract with Strafford Learning Center. Initially this service was offset by ESSER III Revenues grant ending 09/30/2023. (Majority vote required). (\$0.19 per thousand) The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Mrs. Parker corrected the grant ends 09/30/2024.

Motion: (Staples, second Cardinal) to accept passed 7-1 (Deering opposed).

Article #11- Shall the District vote to raise and appropriate the sum of \$150,000 to be added to the FSD Bus Capital Reserve Fund previously established. This sum is to come from the June 30, 2024 fund balance for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the FSD Bus Capital Reserve Fund as of 12/31/23 is \$101,270.48. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee

recommends this appropriation (?).

Motion: (Cardinal, second Staples) to recommend passed 8-0.

Article #12- Shall the District vote to raise and appropriate the sum of \$150,000 to be added to the FSD Technology Fund previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the FSD Technology Fund as of 12/31/23 is \$113,238.12. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Cardinal, second Staples) to recommend passed 8-0.

Article #13- Shall the District vote to raise and appropriate the sum of \$125,000 to be added to the Heating System Replacement Capital Reserve Fund previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the FSD Buildings and Grounds Capital Reserve Fund as of 12/31/23 is \$107,206.35. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Staples, second Morgan) to accept passed 8-0.

Article #14- Shall the District vote to raise and appropriate the sum of \$25,000 to be added to the Kitchen Equipment Capital Reserve Fund previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the Kitchen Equipment Capital Reserve Fund as of 12/31/23 is \$52,802.06. The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Deering, second Cardinal) to recommend passed 8-0.

Article #15- Shall the District vote to raise and appropriate the sum of \$25,000 to be added to the Outdoor Athletic Facilities Capital Reserve Fund previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the Outdoor Athletic Facilities Capital Reserve Fund as of 12/31/23 is \$32,714.31. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Staples, second Morgan) to accept;

Discussion: Mr. Staples asked what this fund is used to pay for.

Mr. Campbell said outdoor athletic facilities and if there was a dramatic event on the fields they would probably withdraw from that.

Mr. Cardinal said most recently it was the tennis courts.

Vote: the motion passed 8-0.

Article #16- Shall the District vote to raise and appropriate the sum of \$100,000 to be added to the Special Education Expendable Trust previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from

taxation. The balance of the Special Education Expendable Trust as of 12/31/23 is \$200,000. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Staples, second Cardinal) to accept passed 8-0.

Article #17- Shall the District vote to raise and appropriate the sum of \$50,000 to be added to the FSD Security Fund previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the FSD Security Fund as of 12/31/23 is \$100,000. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Pitre, second Staples) to recommend passed 8-0.

Article #18- Shall the District vote to raise and appropriate the sum of \$50,000 to be added to the School Equipment Fund previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the School Equipment Fund as of 12/31/23 is \$3,464.18. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Haskell, second Staples) to recommend passed 8-0.

Article #19- Shall the District vote to raise and appropriate the sum of \$25,000 to be added to the Capital Improvements and Renovations Fund previously established. This sum is to come from the June 30, 2024 fund balance available for transfer on July 1, 2024. No amounts to be raised from taxation. The balance of the Capital Improvements and Renovations Fund as of 12/31/23 is \$70,185.18. (Majority vote required). The School Board recommends this appropriation (4-0). The Budget Committee recommends this appropriation (?).

Motion: (Staples, second Haskell) to approve passed 8-0.

Mrs. Barron said those are some pretty big numbers going into the CRF's. She said the way the budget was prepared this year they started at the actual spent, increased nothing so if there's ever been a bare bones budget for the Farmington School District you're looking at it. She said but she did some math where they were a year ago at the end of Dec. what they had spent, those types of things and she compared them to the exact same date currently.

She said we're half way through this budget and we're within \$130,000. She said at the end of June 30 they returned \$1.4 million, they put \$245,000 in a contingency in their warrant articles. She said out of what they anticipate to be the same comparing last year to this year keeping their fingers crossed they're looking to prioritize and find a way to return \$700,000 to the taxpayers at tax rate next time and to put \$300,000 into a contingency fund. She said that left approx. \$700,000 that she just had the pleasure of spending in all the warrant articles they saw. Because we know that we're most likely looking at not millions of dollars left in the unexpended fund balance we took advantage of this year and we wanted to bump those CRF's up because if

you get a situation where you have a child come in that's \$250,000 spent that we didn't have and 2 or 3 boilers go in the same year we don't have it. If we hadn't done this and been proactive about doing it this way those types of things-a new boiler, a new child whatever we just voted on would then have to be raised by taxation and eventually I think you'd find that more of that is going to happen and we're trying to bridge that cliff for us she said.

Mrs. Barron said they've also got ESSER money and they put \$150,000 in the bus fund and one of their options is to purchase more buses from ESSER that is allowed they got the first 2 and the 2 vans approved thru ESSER. She said they have buses that are going to have to be put out to pasture and we can take advantage of the ESSER money and if we get 2 that will be 4 buses that have not affected your tax rate and in coordination with that the money they are talking about putting into that account is divided by buses in years 5-7 and down the line but we need to populate those CRF's with what we honestly anticipate we're going to be able to do. She said the other thing they are trying very hard to do is not have a very high tax increase and then something comes in. People can't budget they can't plan ahead for that so I just wanted to throw a few extras out there because those are big numbers. Originally the board had talked about \$50,000 going out of the CRF and that was like pulling teeth she said.

Mrs. Haskell said she thought this is a common theme that we've heard from the School Board but also when going the Town budget it's finding the balance of not hurting the taxpayers that are already hurting but continuing to grow to be a desirable community and to proactively have a plan in place when things go bad rather than try to figure it out and not have something there to work with. So I commend you on that all of you she said.

Mrs. Barron said they split the difference \$700,000 to the taxpayers \$700,000 in savings.

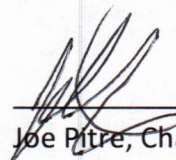
Mr. Pitre gave the example of the Nashua School District had two \$750,000 Spec Ed kids and even a big school district like Nashua had a hard time. He said they are trying to fix things like at the state level but asked where they would get the money from.

Mr. Campbell expressed his thanks to everyone that helped him and Mr. Doig develop this budget and his thanks to this committee for their guidance and their patience and to the School Board for the time they spent on this budget. It was a collective effort he said.

6). Adjournment:

Motion: (Parker, second Staples) to adjourn the meeting passed 8-0 at 8:49 p.m.

Kathleen Magoon, Recording Secretary

 28 Feb 24

Joe Pitre, Chairman