

BOARD OF FINANCE ANNUAL REPORT 2018-2019

The fiscal year that commenced on July 1, 2018 and culminated on June 30, 2019 was notable for beginning and ending without mill rates set, while Town officials waited for information from the State on funding and spending mandates for FY2018-2019 and for FY2019-2020.

The Board of Finance set the mill rate at 28.5 for FY2018-2019, an amount level with the previous year, at a July 10, 2018 meeting after Regional District#11's budget proposal of \$6,422,465 was approved on its second attempt at a June 5, 2018 tri-town referendum, and the General Government's budget of \$1,632,306 was approved at a May 29, 2018 referendum. The Hampton Elementary School's \$2,174,969 budget proposal for FY2018-2019, a spending plan level with the previous year, failed at the May 29 referendum, and the Board of Finance voted to postpone approval of the school budget until information from the State on the Minimum Budget Requirement (MBR) could be obtained. The budget would not return to voters until the State issued the MBR, and the proposal for \$2,134,112, a \$40,857, or 1.9% reduction, was presented and approved by voters at a Special Town Meeting on October 18, 2018. At a March 12, 2019 meeting, the finance board contributed \$2,122 from undesignated funds to satisfy the FY2018-2019 MBR after receiving a Notice of Non-Compliance from the State Department of Education due to a calculation error.

After voters at the May 29, 2018 referendum approved a \$500,000 appropriation for the construction of an addition to the Firehouse, the question of sole source procurement for the project initiated discussions on the Town's procedures for awarding contracts. This led the finance board to appoint and charge a committee to develop an ordinance with procedures for competitive bidding. The Board of Finance approved the committee's recommendations, which establish guidelines for providing written records in obtaining and selecting bids, at a January 8, 2019 meeting and the Town adopted the ordinance at a July 9, 2019 referendum.

The Board of Finance also reinstated the Human Resource Committee to research the salaries of all Town positions in comparison with similar municipalities and to recommend market adjustments accordingly, and the By-Laws Committee to review and amend the by-laws in accordance with the Town ordinance and State statutes. Both committees would report to the finance board the following fiscal year. The finance board also appointed a member to represent the Town during the Hampton Elementary School's contract negotiations, which settled and filed a two-year contract on November 28, 2018. During FY2018-2019, the Board of Finance requested and obtained monthly financial statements and reports from the elementary and regional school boards.

The budget cycle for FY2019-2020 began in February, 2019 with presentations from the Town's various departments. As part of their request, the Hampton Elementary School Board of Education asked that the Board of Finance grant \$200,000 from the General Fund to support the paving of the school's parking lot and the replacement of the school's generator, with the school funding the repair of the playground through its capital account and existing budget. After the May 14, 2019 Public Hearing on the budgets, the finance board voted to postpone approval of the elementary school's budget and additional funding for the school's capital projects until information on Educational Cost Sharing (ECS) and the MBR was obtained; until then, the school's spending would remain level with the prior year at \$2,136,234, the amount proposed by the Board of Education. At a June 11, 2019 meeting, the Board of Finance directed the Board of Education to reduce their proposed budget by \$31,916 in order to absorb 60% of the State's ECS reduction, an amount based on the percentage of the district's students attending the elementary school.

The Town Government budget proposed \$1,675,184 for FY2019-2020, a 2.63% increase mainly for public safety improvements which included funding for the fire department, the ambulance corps, and the highway department's line item for tree trimming. The Board of Finance also voted after the May 14 Public Hearing to table approval of the Town Government budget until firm numbers for State funding and contributions to the Teachers' Retirement Board were received.

Only the Regional District#11 Board of Education's FY2019-2020 budget proposal would be subject to approval by the legislative body during FY2018-2019, the initial request of \$6,480,579 failing on its first attempt at a May 7, 2019 referendum; a subsequent proposal of \$6,422,464, a \$58,115, or .9%, reduction from the original request, was approved by Hampton and the tri-town cumulative vote on June 4, 2019.

The ultimate passage of the \$1,675,184 General Government budget and the \$2,104,318 Hampton Elementary School budget would occur at a July 9, 2019 referendum, with the Board of Finance setting the mill rate at 25.82, a 2.68 reduction due to decreases in the elementary school budget and Hampton's assessment to the RD#11 budget, and a 5.19%, or \$207,352, increase in the Grand List.

The Board of Finance accepted with regret the resignations of alternate David Fowler and Chairman Jeff Clermont, and, regrettably, the loss of member Michael Higgins. The Board of Selectmen appointed Kathi Newcombe to fill the alternate vacancy in January of 2019, and the Board of Finance at an April 23, 2019 meeting appointed Lisa Sanchez and Kathy Donahue to fill the seats left by members.