

Town of Hampton  
Board of Finance  
Regular Meeting  
November 19, 2019  
7:00 pm  
Hampton Town Hall

**Call to Order:** The meeting was called to order at 7:02 p.m.

Members/Alternates Present: Perry Matchinis, Ed Adelman, Kathy Donahue, Nick Brown, Lisa Sanchez, Diane Gagnon, Kathi Newcombe, and Stan Crawford

Staff and Others Present: Selectmen Bob Grindle and Dan Meade, Treasurer Ellen Rodriguez, Hampton Elementary School Board of Education Vice-Chairman Mark Becker, Recording Clerk Dayna McDermott-Arriola.

**Citizen Comments:** none.

**Approval of Minutes:**

**Motion:** Lisa Sanchez, seconded by Perry Matchinis, to approve the October 25, 2019 Special Meeting Minutes. Motion carried 5-0, Diane Gagnon abstaining.

**Motion:** Nick Brown, seconded by Kathy Donahue, to approve the October 21 Special Meeting Minutes with the following amendments under Discussion of Acquisition of a Bucket Truck for Tree Removal: “Kathy Donahue explained that the Board of Finance acknowledged the importance of removing the trees but suggested that *there* were different ways to address it...She also listed fiscal concerns members raised...as well as the additional costs which the town would incur with the purchase, such as an increase in workmen’s compensation, insurance, *salaries of the road crew*, and fuel.” Motion carried 4-0, Ed Adelman and Diane Gagnon abstaining.

**Welcome of New Members & Election of Officers**

Chairman Matchinis welcomed Diane Gagnon to the Board of Finance.

**a. Chairman**

Nomination of Lisa Sanchez to serve as Chairman by Perry Matchinis, seconded by Kathy Donahue. There being no other nominations, Lisa Sanchez was unanimously elected Chairman.

**b. Vice-Chairman**

Nomination of Kathy Donahue to serve as Vice-Chairman by Lisa Sanchez, seconded by Perry Matchinis. There being no other nominations, Kathy Donahue was unanimously elected Vice-Chairman.

**c. Clerk**

Nomination of Ed Adelman to serve as Clerk by Kathy Donahue, seconded by Lisa Sanchez. There being no other nominations, Ed Adelman was elected Clerk.

**Presentations:** none.

**Reports/Actions**

**First Selectman:** none.

**Tax Collector:** none.

**Treasurer:** Treasurer Rodriguez reported that the transition to Berkshire Bank was smooth, and that the audit is in process. Perry Matchinis requested a copy of the auditor’s questions. Treasurer Rodriguez also requested a few transfers.

**Motion:** Kathy Donahue, seconded by Perry Matchinis, to transfer \$1100 from 6001-01 Tax Collector Salary to 6001-02 Tax Collector Assistant, \$6.00 from 6006-10 Assessor Office Supplies to 6006-06

Assessor Computer Support, \$8.00 from 6007-03 Town Hall Maintenance to 6007-04 Town Hall Fire Extinguisher, \$200 from 7000 Contingency to 7100-06 Fall Fest. Motion carried unanimously.

**Boards of Education:** Perry Matchinis reminded Chairman Sanchez to contact Regional District #11's administration in order to receive monthly financial documents.

**Board of Finance Committees:**

**Human Resource Committee:** none

**By-Law Committee:** Committee Chairman Matchinis noted a minor change needed to comply with statutory language in the section on Officers and Staff: "In the event that the Board is unable to elect the Chair or the Clerk *within thirty days*, the Board of Selectmen, or executive authority of the Town, shall choose such officers from the membership of the Board to serve until the next municipal election." Kathi Newcombe was tasked with making this change, as well as the errors previously noted under the section on Motions: "Any member *or* seated alternate who makes a motion *may* rescind or amend the motion prior to the vote", and distributing the amended By-Laws to members for review prior to the next Regular Meeting.

**Other:** none.

**Correspondence:** none.

**Old Business:**

- a. **Retention of Records:** A filing cabinet for use by the Board of Finance has been delivered to the Registrars of Voters' Office.
- b. **Creation of BoF Email Account:** Chairman Sanchez will follow through on securing information on the portal and the password. As Clerk, Ed Adelman, will be the member responsible for accessing the account.
- c. **Recordings of Meetings/Discuss Equipping Meeting Room with a Sound System**  
At Kathi Newcombe's request, Chairman Sanchez agreed to contact EastConn to inquire as to the use of their facility for meetings, a possibility the majority of members were interested in pursuing. Ed Adelman suggested that the Fire Department also be contacted to see if there's a sound system in their facility. To Diane Gagnon's question on the sound system stored at the Community Center, Selectman Grindle stated that the equipment was not reliable, adding that the Board of Selectmen have discussed installing a system in the Community Room of Town Hall. Kathy Donahue noted that the lack of a sound system in the elementary school where the Board of Education meets was also an issue.

**New Business:**

- a. **Discuss Financial/Accounting Details of New Bucket Truck Purchase (October 29, 2019)**  
Kathy Donahue summarized the Selectmen's conduct regarding the purchase of a bucket truck since the boards' last discussion. A review of October's financial report revealed significant items not reviewed by the finance board, specifically that 93.6% of the First Selectman's budget had been expended, and a \$91,690.60 payment to Freightliner of Hartford. Documents obtained from the Treasurer revealed that the Town purchased a bucket truck for \$173,690 on October 29, 2019 using \$82,000 from the Trucks & Equipment CNR account, \$70,000 from the amount appropriated for road paving, and \$21,690 from the First Selectman's salary. The checks were signed by Selectmen Cahill and Grindle and Treasurer Rodriguez. It was later revealed that Selectman Meade made a personal donation to the Trucks & Equipment CNR account.

Perry Matchinis reported that information obtained from Freightliner revealed that they received an inquiry from the First Selectman regarding the purchase of the truck on September 27, provided a quote with specifications on October 4, received verbal approval for the purchase from the First Selectman on October 25, and paid for the truck on October 29.

Kathi Newcombe read from CGS7-348 which stipulates that purchases over \$20,000 must be approved by the legislative body on the recommendation of the Board of Finance, with the exception of emergencies which limit expenditures to \$1000, and from CGS7-80 on the duty of the Town Treasurer to make payments “on the order of the proper authority”, the fiscal authority of the Town.

Kathy Donahue stated that a review of the historical documents of the last decade revealed that all appropriations exceeding the \$20,000 threshold, including those transferred from a CNR account and lesser amounts, were subject to approval by the legislative body at Town Meeting or referendum. She also noted that the purchase of a bucket truck was not included in the 5-Year Plan the legislative body approved at the 2019 Annual Town Meeting. She expressed concern with the process, which usurped the Board of Finance’s statutory authority and disenfranchised voters, adding that neither the Selectmen nor the Treasurer apprised the Board of Finance of the purchase, and that the First Selectman spent a salary he had not yet earned, noting that the amount in the line item funds a position, not a person.

To Chairman Sanchez’s question on violations of statutes and ordinances, Perry Matchinis said that whether the bidding ordinance recently approved by Town Meeting was adhered to remains unclear, but that according to the Town attorney, the penalty for the violation of the statute is civil, rather than criminal, explaining that if an amount was spent that exceeded the total budgeted appropriation, it would be a criminal matter, but in this instance, a civil suit would be required if the Board of Finance were to take legal action. Kathy Donahue noted that the next item on the Agenda was funding an attorney for legal guidance to at least establish ordinances and policies to prevent a reoccurrence.

Chairman Sanchez solicited comments from the rest of the members; Ed Adelman, Nick Brown and Diane Gagnon all expressed concern that the process for funding purchases was not followed. Mr. Brown indicated that he would like to seek legal counsel to prevent this from reoccurring. Diane Gagnon stated her concern that the truck has been utilized and has therefore lost value. Ed Adelman asked if there was an explanation for the Selectmen’s conduct, but none was forthcoming from the Selectmen present. Chairman Sanchez stated that the First Selectman’s presentations on the truck contained misinformation, Perry Matchinis noted that the First Selectman never mentioned during discussions that he was in the process of negotiations with Freightliner, and Kathy Donahue added that the last meeting ended with cancellation of the Town Meeting to grant approval for the purchase with the decision postponed. She suggested that the Board schedule a special meeting to develop a list of questions for the Treasurer and the Selectmen.

Stan Crawford defended the Selectmen’s decision, stating that the 500 trees identified for removal presented a liability to the Town. Kathi Newcombe countered that the Safety Committee never met to discuss the issue, and Kathy Donahue added that several options were presented by the Board of Finance for removal of the trees. She stated that the Selectmen also usurped the Board of Finance’s responsibility to determine the financing of the truck, reminding members of a previous discussion on the possibility of obtaining a loan due to the uncertainty of State revenue and upcoming costs of emergency services.

Perry Matchinis argued against the auditor’s recommendation for making adjustments to financial records to avoid a finding of a material weakness in the audit, and distributed a Letter of Engagement he obtained from a lawyer recommended by the Connecticut Council of Municipalities, noting that a line item for legal services in the Board of Finance’s budget would need to be established and suggesting \$5000 be appropriated.

*Chairman Sanchez called a five minute recess at 8:05 for members to review the Letter of Engagement.*

**b. Discuss/Possible Action on Funding/Hiring an Attorney to Represent the BoF**

The meeting resumed at 8:15 and a motion made by Perry Matchinis and seconded by Ed Adelman to accept the Letter of Engagement, establish a line item for legal counsel, and appropriate \$5000 to the account was later withdrawn and separated into three motions. Stan Crawford voiced his opposition, characterizing the engagement of an attorney as a “rabbit hole”. Kathi Newcombe countered that the Board was already in a rabbit hole and it was necessary to hire an attorney for guidance on the appropriate way to get out. Kathy Donahue reiterated her position that the Board needed to protect the Town from a reoccurrence, and Diane Gagnon concurred, stating that the Town should have the right to make such fiscal decisions, not three men, or one. Perry Matchinis stated that emphasis should be placed on establishing controls to ensure a vote of the Board of Finance and the legislative body on purchases, and Kathy Donahue noted that avenues to pursue through State agencies could be part of the questions posed to the attorney.

**Motion:** Perry Matchinis, seconded by Ed Adelman, to authorize the Chairman to sign a Letter of Engagement with Kari L. Olson for an amount not to exceed \$5000 in the current fiscal year. Motion carried unanimously.

**Motion:** Perry Matchinis, seconded by Ed Adelman, to establish a line item under the Board of Finance’s department budget for legal counsel. Motion carried unanimously.

**Motion:** Perry Matchinis, seconded by Ed Adelman, to make an appropriation of \$5000 to the legal counsel line item from the unassigned fund balance. Motion carried unanimously.

**c. Discuss Board of Education’s Request for Prekindergarten Special Revenue Fund**

Elementary School Board Vice-Chairman Mark Becker reminded members of the request for a special revenue fund to deposit checks received for prekindergarten tuition. Previous concerns on the effects of the account on the Minimum Budget Requirement remain unanswered, but there was confirmation that the funds in the account would only be used toward the prekindergarten program.

**Motion:** Kathy Donahue, seconded by Ed Adelman, to establish a Prekindergarten Special Revenue Fund. Motion carried unanimously.

**d. Discuss/Possible Action on Setting 2020 BoF Meeting Calendar**

**Motion:** Nick Brown, seconded by Kathy Donahue, to establish the second Wednesdays of every month as Regular Meeting dates for 2020. Motion carried unanimously.

**Motion:** Kathy Donahue, seconded by Perry Matchinis, to entertain Citizen Comment at this point of the meeting in case an Executive Session was necessary for the discussion of Future Ambulance/Emergency Services.

**Citizen Comment:**

In response to Dayna McDermott Arriola’s question on whether or not the First Selectman sought legal advice prior to purchasing the bucket truck, Perry Matchinis answered that the Town Attorney confirmed that he had not.

**e. Discuss Future Ambulance/Emergency Services and Possible Executive Session**

Selectman Grindle reported that he was not presenting at this time further information regarding Future Ambulance/Emergency Services.

**Suggestions for Next Agenda:**

Recording of Meetings

Equipping Meeting Room with Sound System

Access to BoF Email Account

Review and Approval of By-Laws  
Renewal of Certificates of Deposit  
Discussion of Purchase of Bucket Truck  
Discussion of Future Ambulance/Emergency Services  
Budget Preparation: Letters of Request for Budget Proposals and Tentative Dates for Presentations

**Date, Time and Place of Next Meeting:**

A Special Meeting will be scheduled to generate a list of questions regarding the purchase of the bucket truck.

Regular Meeting on December 10, 2019 at 7 p.m. in the Community Room of Town Hall.

**Adjournment:**

There being no further business to come before the Board, the meeting adjourned at 8:45 p.m.

Respectfully submitted,  
Dayna McDermott Arriola  
Recording Clerk

*This is a draft version of the Minutes until approved by the Board of Finance.*

