

Town of Hampton
Board of Finance
Regular Meeting
April 12, 2016
7pm
Hampton Town Hall Community Room

Call to Order: The meeting was called to order at 7:05 p.m.

Members Present: Jeff Clermont, Ed Adelman, Nick Brown, Perry Matchinis, Mike Higgins, Rick Matejka, David Fowler.

Members/Alternates Absent: Stan Crawford.

Staff and Others Present: First Selectman Al Cahill, Selectmen Bob Grindle and Michael Chapel, Treasurer Ellen Rodriguez, Hampton Elementary School Board of Education Members Rose Bisson, Chairman, and Mark Becker, Superintendent Connie Berglund and Business Coordinator Sally Lehoux, and Recording Clerk Dayna McDermott-Arriola.

Chairman Clermont welcomed David Fowler to the Board.

Citizen Comments:

Kathy Donahue cautioned that the Town could lose nearly \$300,000 in Educational Cost Sharing (ECS) funds, a possibility she fears will worsen in the future, and suggested that the school board could reduce the spending proposal to the Minimum Budget Requirement (MBR), 1.5% this year, and could request of the Commissioner further reductions that the school board approves. She questioned the need for three school buses, noting that there are only 73 families attending the elementary school.

Mark Becker pointed out that the school budget has remained level, or decreased, for several years, as well as sustaining drastic cuts. He echoed parents' opposition to further reductions and advocated for the need to maintain a balance between educational needs and lower taxes.

Susan Lovegreen stated that she transports her daughter from school daily because the bus rides are already too long, a situation that would worsen considerably if a bus were to be eliminated.

Approval of Minutes

Motion: Mike Higgins, seconded by Ed Adelman, to approve the March 8, 2016 Meeting Minutes with the following recommended changes: in Approval of the Minutes, remove "Motion carried *unanimously*, Rick Matejka abstaining"; in the First Selectman's Report, insert "*Randy Thompson rescinded his request for additional funding of the Open Space Account when* Mr. Cahill reported that the current budgeted amount is \$20,000; in the Board of Education's Report, insert "Perry Matchinis, *acting as a citizen*, distributed copies of the latest draft version of the Hampton Elementary School 2016-17 Budget." Motion carried unanimously.

Presentations: none.

Reports/Actions

First Selectman: Al Cahill reported that the Board of Selectmen recently appointed David Fowler as an alternate on the Board of Finance and approved the 2016-17 Town Government Budget proposal. Due to the uncertainty of reimbursements from the State, it was decided to table action on hiring a Resident State Trooper this year. First Selectman Cahill received notification of reductions in the ECS Grant ranging from \$52,000 to \$294,000, and a reduction in Payment in Lieu of Taxes (PILOT) funds. He has fielded several suggestions from citizens concerning the purchase of property for the State Police Firearms Training Facility, including Town funding to mount a defense against the location and Town purchase of the parcel. The Selectmen will consider adding as a referendum question the allocation of \$100,000 from the General Fund for legal fees to defend against siting the Training Facility here. According to First

Selectman Cahill, the State is receiving comments until May 1 to gauge the various towns' support for the project.

Mike Higgins praised Highway Department Foreman Toby Vertefeuille for assisting a bus that was stuck on Hammond Hill during the recent storm.

Tax Collector: Chairman Clermont reviewed the report of the Tax Collector, which reported deposits for the month of March totaling \$40,016.80. Year-to-Date, the Town has deposited \$3,678,657.39, received online payments of \$115,250.38, and refunded \$3,481.22, for a net collection of \$3,790,426.55. The Tax Collector's recommendation for approval of the Dairy Farm Abatement, which requires approval of both the Boards of Selectmen and Finance, was also discussed. First Selectman Cahill reported that the Selectmen have not yet approved it. Perry Matchinis asked the Board to weigh the needs of the farm and the Town in considering the amount of the abatement, which can range from 0% to 50%, its current amount, according to the Tax Collector. In support of the abatement, Ed Adelman said that the State established the legislation to preserve farms, and Nick Brown added that there is only one dairy farm left out of the many which were here years ago.

Motion: Mike Higgins, seconded by Nick Brown, to approve the Dairy Farm Abatement.

In Favor: Jeff Clermont, Ed Adelman, Nick Brown, Mike Higgins, Rick Matejka.

Opposed: Perry Matchinis.

Motion carried 5-1.

Treasurer: Ellen Rodriguez distributed the Auditor's Report and reviewed the recommendations: to establish a deadline for reconciliation of checking accounts; to use a signed form for periodic review of accounts; to provide additional review of the Small Cities accounts and to date reconciliations; to require another signer on the Town Clerk's checks. The findings have been remedied as follows: a 30 day deadline has been established for reconciliation of checking accounts; a form requiring a signature has been developed for review of accounts; the Treasurer will review Small Cities accounts and date reconciliations; the Treasurer will sign the Town Clerk's checks and reconcile the account.

Motion: Ed Adelman, seconded by Rick Matejka, to transfer \$81.00 from # 6006-10 Assessor Supplies to #6006-05 Assessor Professional, \$2260.00 from # 6201-03 Road Maintenance Payroll/OT to # 6201-01 Road Maintenance, \$659.00 from # 6201-03 Road Maintenance Payroll/OT to # 6202-00 LOCIP Expense, and \$238.00 from # 6300-00 Sanitation - Transfer Station to # 6300-06 Sanitation-MIDNEROC. Motion carried unanimously.

Board of Education: Superintendent Berglund distributed and reviewed the Hampton Elementary School's \$2,149,198 budget proposal adopted by the Board of Education at a 1.18% decrease over last year. Contract negotiations awarded the teachers a 2.87% raise this year; there is an anticipated retirement. Insurance costs were less than projected, and the school is hoping to retain the Principal, whose salary, as a retired administrator, is less than the norm. Costs savings are also realized in fuel, delivery of custodial services, and through partnering with Scotland Elementary School for a Psychologist and an Occupational Therapy Supervisor. Superintendent Berglund received notification of a possible \$292,000 cut in ECS funds as well as \$34,500 of the \$99,900 from the School Readiness Grant which funds the pre-school program. First Selectman Cahill noted that responsibilities performed by the Town's Highway Department at the school contributed to the reduction in the Buildings & Grounds Maintenance line item. Perry Matchinis urged the Board to reduce the budget by 1.5%, the amount allowable per the MBR, with the long-range goal of reaching a per pupil cost comparable to other towns. To his question on unspent funds, Superintendent Berglund said that the surplus returns to the Town at the close of the fiscal year in a capital, non-recurring account which cannot be spend without the Town's approval.

Nick Brown echoed the concern expressed by parents, who urged the Board to maintain a flat bottom line, and suggested that voters could defeat the budget on the basis of it being too low. He also noted that the school budget continues to decrease while items in the government budget increase.

Rick Matejka observed that the reduction of the budget reflects the decline in student population.

Perry Matchinis requested a proper analysis of the bus routes, independent of vested interests, and suggested communal stops could reduce travel time. Chairman Bisson stated that the Board had studied the issue and determined that the lack of sidewalks in town precluded students walking to bus stops. Kathy Donahue said that other towns assess the need for the buses every year as the student census changes. Chairman Bisson affirmed that the bus contracts could be altered. Nick Brown questioned the finance board's authority in challenging line items; Perry Matchinis countered that the finance board scrutinizes items in the Board of Selectmen's Budget.

Ed Adelman praised the school board for considering the needs of the citizens and reducing the budget to an amount lower than last year. Mike Higgins said that he is not interested in the MBR, but rather that the schools are adequately funded without overspending.

Nick Brown voiced concern over maintaining a quality education and the fact that continual cuts and grade reconfigurations have forced families to leave the town. Perry Matchinis noted that the cuts he suggested did not directly impact education, and that with school at half capacity, a student teacher ratio of 5:1, and a per pupil cost of over \$20,000, school officials should seek creative solutions to address State cuts and the continued decline in student population. He also questioned the increase to the Superintendent's time and the raises of employees other than those contracted, noting that none of the town employees were awarded a raise this year. Superintendent Berglund praised the newly hired Superintendent, and explained that the increases to the Administrative Assistant, the Business Coordinator, and the Custodians were salary adjustments meant to align with those positions in area towns, and amount to \$4,600.

Nick Brown asked if the line item for fuel was sufficient. Chairman Bisson responded that the school board would request additional funds from the Town if necessary.

School officials were urged to attend the next meeting of the Board of Finance.

Board of Finance Committees:

HR Committee: none.

Fiscal Policy and Procedures Committee: none.

Correspondence: none.

Old Business

Report from Central Office Committee: Nick Brown will contact the Auditor to see when the investigation might resume.

Review Budget Requests: The General Government Budget proposal of \$1,615,022 was distributed, a .79% decrease over last year's amount. Selectman Cahill reported that the Regional District #11 Budget has been approved by the RD#11 board; Treasurer Rodriguez reported that, while the RD11 Budget proposal increased, Hampton's assessment, per student enrollment, has decreased.

Nick Brown questioned the amount spent in Hampton on Elections, Road Maintenance, and the Transfer Station, as compared with Scotland's lesser expenses for these line items. It was noted that Scotland decides most of its questions at Town Meeting rather than at Referendum, that Hampton has more Town roads to maintain than Scotland, and that Hampton's assessment for use of the Transfer Station is 52%, while Scotland's assessment is 48%.

To Ed Adelman's question on the reduction of PILOT funds, First Selectman Cahill said he has not yet received a specific amount, only notification of state-wide reductions. Nick Brown asked how the budget would be affected if the State cuts are drastic. Perry Matchinis noted that the increased assessment of the power lines will help to balance the loss of State revenue. He also suggested that the land acquisition and open space accounts be reduced if there are further State cuts, stating his opposition to the continued funding of these accounts. Chairman Clermont suggested that a specific vision for use of the funds in these accounts would make them more palatable.

Review By-Laws: Perry Matchinis distributed examples of the By-Laws of other towns' finance boards, along with the town attorney's comments.

Schedule Budget Workshop Session: By general consent, it was agreed to cancel the April 19 session and to re-schedule for April 28, to start the Regular Meeting of May 10 at 6:30, to be followed by the Public Hearing, and to schedule the Town Meeting for May 25.

New Business

Review Ordinance: By general consent it was agreed to table review until after the passage of the budgets.

Discuss Recommendations of CDARS Sub-Committee

Perry Matchinis reported that he and the Treasurer met with a representative from the bank to discuss participation in the Certificate of Deposit Account Registry Service (CDARS) program, which affords protection of town funds at lesser interest rates. He stressed the need for a cash flow analysis. By general consent, it was agreed to seek the auditor's recommendations.

Citizen Comment:

Mark Becker urged the Board to make fair comparisons between school districts and suggested that the school is unable to make improvements when funding is continually held to a minimum.

Kathy Donahue said that the figures she quoted were from the State Department of Education. She suggested that spending more money doesn't necessarily equal a better education, pointing to the superior ranking of Union, a smaller school with lower per pupil costs. She also questioned the legality of the RD#11 Superintendent's compensation.

First Selectman Cahill reminded the Board of Finance that the Town voiced their support for preserving the elementary school while offering high school choice. He suggested that the Town might have to look at a different plan of delivering educational services for the most efficient use of funds.

Susan Lovegreen thanked the Board of Finance for their efforts and urged them to look at all budgets when making decisions.

Suggestions for Next Agenda

- Town Government Budget
- Hampton Elementary School Budget

Date, Time and Place of Next Meeting:

Budget Workshop Session on April 28 at 7 pm in the Community Room of Town Hall.

Adjournment:

There being no further business to come before the Board, the meeting adjourned at 9:50 p.m.

Respectfully submitted,

Dayna McDermott Arriola
Recording Clerk

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

