

Town of Hampton
Board of Finance
Regular Meeting
August 13, 2019
7:00 pm
Hampton Town Hall

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

Members/Alternates Present: Perry Matchinis, Ed Adelman, Kathy Donahue, Lisa Sanchez, Nick Brown, Kathi Newcombe, Alyssa Languth

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

Chairman Matchinis announced that Rick Matejka designated Kathi Newcombe to be seated in his absence.

Chairman Matchinis also announced that the Meeting would be conducted in accordance with procedures recently developed by the by-laws committee.

Citizen Comments: none.

Approval of Minutes:

Motion: Lisa Sanchez, seconded by Kathy Donahue, to approve the July 9, 2019 Meeting Minutes with the following amendments under New Business: Set the Mill Rate: "Selectmen Cahill and Grindle recommended that the mill rate be set at 26.75 to protect the Town against further State funding cuts. Lisa Sanchez countered that the mill rate should be lowered to 25.82, the amount necessary to support the approved budgets, in response to the difficult financial circumstances many Hampton taxpayers face.

After Selectman Grindle accused the BOF of 'imprudence' for considering setting the mill rate at level funding for the budget, Lisa Sanchez responded: As Kathy Donahue has pointed out, the Town can borrow for any large and unanticipated expense at a rate much lower than the current interest rate we receive for Town reserves. Therefore Selectman Cahill's previously expressed request to keep the mill rate artificially high is not just unnecessary but immoral. Many family budgets in town are tight. Pre-taxing families for unbudgeted Town expenses is a frivolous waste that deprives Hampton households of income they may need to use for other more urgent expenses. Kathy Donahue noted that many Hampton homes are listed in pre-foreclosure. She asked Treasurer Rodriguez for an estimate on the current year's projected surplus. Treasurer Rodriguez reported that there's approximately \$130,000 unspent money to date, though she was reluctant to provide more than an approximate amount as there are still outstanding bills to be paid. *In response to Kathy Donahue's question on the current undesignated fund balance, Treasurer Rodriguez reported that the amount is at 12% of the operating budget.*"

After much debate regarding the Selectmen's suggested mill rate, the question was called by Lisa Sanchez, seconded by Kathi Newcombe, unanimously approved; and the original motion passed with a vote of 4-0, Nick Brown and Kathi Newcombe abstaining.

Presentations: none.

Reports/Actions

First Selectman: First Selectman Cahill reported that the Town closed on the Little River parcel on August 8. The Highway Department continues mowing and maintenance of sight lines, and the Town is in the process of securing paving contracts for Sarah Pearl and Calvin Burnham roads as well as the parking lot ramp at Town Hall. The Library's building addition is complete, the contract for the elementary school generator will be signed within the week, and the solar project planned for Route 6 is in its last phase of State approval prior to installation. First Selectman Cahill continues to meet with the

members of the Hampton-Chaplin Ambulance Corps and area towns to discuss options for future delivery of emergency services. Kathy Donahue suggested that a Board of Finance member attend these meetings, and it was agreed that a member would be appointed.

Tax Collector: Chairman Matchinis reviewed the Report of the Tax Collector for the month of July, which reported deposits of \$1,546.24 in cash, \$3,564.24 in checks, and \$671.43 in online payments, for a total of \$5,781.75. The 2018 Grand List Year bills were mailed on July 31, 2019.

Motion: Kathy Donahue, seconded by Lisa Sanchez, to accept the Report of the Tax Collector. At Chairman Matchinis' request, the question was called by Lisa Sanchez, seconded by Kathy Donahue, unanimously approved; and the original motion carried unanimously.

Treasurer: Treasurer Rodriguez requested two transfers for FY2018-19: \$21.00 to 7603 Dog Tags from 7000 Contingency and \$120 to 6300-06 Sanitation MIDNEROC from 6300-00 Transfer Station; and one transfer for FY2019-20 for \$140 to 6005-02 Treasurer Computer Support from 7000 Contingency.

Motion: Kathy Donahue, seconded by Lisa Sanchez, to approve the requested transfers. Motion carried unanimously.

Lisa Sanchez clarified that a "motion to call the question" is only necessary when there is a lengthy discussion on a motion.

Chairman Matchinis stated his understanding that each department within the municipal budget is subject to legislative approval for transfers of over \$20,000, and that there is no requirement for approval from the Board of Finance on transfers within a department. Treasurer Rodriguez disagreed with this interpretation of the statutes, and Chairman Matchinis concurred that changes would not occur without confirmation from the auditor and the Town attorney.

Boards of Education: Vice-Chairman Mark Becker reported that with the start of the school year imminent, Hampton Elementary School officials are moving forward with bids on paving the playground area, and that repairs to the parking lot will be phased in over time. Once the bid for the playground is awarded, the Board of Finance will need to approve the use of funds towards its completion. In response to Kathy Donahue's question, both Mr. Becker and First Selectman Cahill confirmed that the Boards of Selectmen and Education are working together on these projects.

Board of Finance Committees:

Human Resource Committee: Kathy Donahue reported that the committee has met and is developing a spread sheet to illustrate their research on compensation of area Town officials and employees.

By-Law Committee: Chairman Matchinis stated that the committee's review and revisions are nearly complete. At Lisa Sanchez's request, the original by-laws will be forwarded to the finance board members. Ms. Sanchez also offered to forward useful sections of Roberts Rules of Order to Chairman Matchinis.

Other: none.

Correspondence: Chairman Matchinis stated that he thanked officials at Hampton Elementary School and Regional District #11 for complying with requests for financial information.

Old Business:

- a. **Retention of Records:** tabled.

First Selectman Cahill reported that he has discussed arranging for a Board of Finance account with the Town's computer technician, Brian Hathaway. The Town website has been updated to list all members, alternates, and their terms.

New Business:

a. Discuss Development of Timelines for Budget Preparation/Budget Calendar and Packets for Budget Presentation

Chairman Matchinis reported that the By-Laws Committee is addressing the need to establish annually a schedule for department budget requests to be submitted to the Board of Finance directly, or through the Board of Selectmen. This calendar will be amended as needed to accommodate changes in departments and timelines. Kathy Donahue distributed a budget packet from the Town of Pomfret which includes historical and detailed financial data from the school and the municipal government. Ms. Donahue advocated for the Board of Finance to produce a packet similar to this model in order to provide a fuller picture of the Town's finances to the taxpayers during budget presentations. Chairman Matchinis suggested that a sub-committee be appointed annually to prepare the budget packet.

b. Discussion and Possible Action on Hampton Elementary School's Request for Transfer of Excess Funds (2018/2019) to the HES CNR Account

Chairman Matchinis read the Board of Education's request of July 25 that the school's FY2018/19 excess funds in the amount of \$39,594 be transferred to the school's Capital and Non-Recurring Account. Vice-Chairman Mark Becker asked for clarification on the Municipal Reserve Fund approved by voters at the July 9 referendum. Chairman Matchinis explained that though the account will not be annually replenished, it will not lapse until the \$250,000 approved is spent on the designated projects. Mr. Becker assured members that if approved, the requested amount, and the \$46,500 currently in the school's CNR account, will be applied toward the projects designated for the Municipal Reserve Fund. Lisa Sanchez criticized the delay in repairing the playground. First Selectman Cahill said that it was originally thought that the pavement could be salvaged.

Motion: Kathy Donahue, seconded by Kathi Newcombe, to approve the Hampton Elementary School's request for the transfer of funds to the school's CNR account in an amount not to exceed \$39,549, pending approval by the town at the Municipal Election. After the question was called by Lisa Sanchez, seconded by Kathi Newcombe, and unanimously approved, the original motion passed unanimously.

c. Review and Possible Action on Creation of Special Reserve Fund Account

Motion: Kathy Donahue, seconded by Kathi Newcombe, to approve the transfer of \$250,000 from the General Fund to the Municipal Reserve Account for the following projects: \$200,000 for a generator and repair and paving of the playground and parking areas at Hampton Elementary School; and \$50,000 for capital and non-recurring municipal projects listed on the 5-Year Capital Plan as presented by the Board of Selectmen and approved at the 2019 Annual Town Meeting. Motion carried unanimously.

Chairman Matchinis requested that the Treasurer create separate accounts for the elementary school and the municipal funds.

Additions to Agenda

Motion: Kathy Donahue, seconded by Kathi Newcombe, to add Approval of Auditor's Engagement Letter to the Agenda. Motion carried unanimously.

Approval of Auditor's Engagement Letter

To Ed Adelman's question, Chairman Matchinis replied that there was no change in fees, as this year was included in a three-year contract.

Motion: Kathy Donahue, seconded by Lisa Sanchez, to approve the auditor's engagement letter for the coming year. Motion carried unanimously.

Citizen Comment: none.

Suggestions for Next Agenda:

Discuss Development of Timelines for Budget Preparation/Budget Calendar and Packets for Budget Presentation

Nick Brown requested that members consider a date other than Tuesdays for regular meetings for 2020.

A Special Meeting to approve funds for the Hampton Elementary School playground paving will be scheduled when the bid for the project is awarded.

Date, Time and Place of Next Meeting:

Regular Meeting on September 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 8:44 p.m.

Respectfully submitted,
Dayna McDermott Arriola
Recording Clerk

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