

Town of Hampton
Board of Finance
Regular Meeting
March 11, 2020
7:00 PM
Hampton Town Hall

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

Roll Call/Seating of Alternates: Lisa Sanchez, Kathy Donahue, Diane Gagnon, Perry Matchinis, Ed Adelman, and Stan Crawford.

Motion: Kathy Donahue, seconded by Diane Gagnon, to seat Stan Crawford for Nick Brown. Motion carried unanimously.

Staff and Others Present: First Selectman Allan Cahill, Selectman Bob Grindle, Treasurer Ellen Rodriguez, Planning & Zoning Commission Chairman Kevin Grindle, Recreation Commission Member Gay Wagner, Hampton Seniors Vice-Chairman Jan Leitch, Recording Clerk Dayna McDermott-Arriola.

Presentations:

Planning & Zoning Commission: Kevin Grindle distributed the Commission's proposal, which reflects a \$2,500 increase due to a \$4000 adjustment to the Zoning Enforcement Officer's salary that approximates the industry standard, a \$40 per hour rate for an anticipated 3-4 hours a week to include 1 or 2 weekly office hours. The proposal decreased line items for legal expenses and notices. To Ed Adelman's question on whether or not the budget could accommodate an increase in construction, Mr. Grindle affirmed that there was some flexibility in the budget.

Recreation Commission: Member Gay Wagner distributed the Commission's proposal, which represents a \$2000 decrease due to the decision to eliminate bus trips because of a continued lack of involvement. Ms. Wagner detailed other proposed activities the Commission hopes to sponsor. To Diane Gagnon's question, Ms. Wagner stated that the Community Center kitchen was re-certified.

Town Clerk: The Town Clerk's budget request was distributed. Discussion was tabled due to the Clerk's absence.

Assessor: The Assessor's budget request was distributed, along with an explanatory text. Discussion was tabled till the next meeting; Chairman Sanchez asked members to review the material and forward questions to the Chairman and the Recording Clerk.

Registrars of Voters: The Registrars of Voters budget proposal was distributed with a \$1300 decrease largely due to the improbability of a primary for one or both political parties. Increases were due to an order for 5000 referenda ballots at .26 a piece, and changes in legislation mandating the use of accessible voting equipment for referenda.

Hampton Seniors: Jan Leitch requested a \$2000 increase to the organization's budget, explaining that membership has expanded from 15- 20 seniors to 40 – 60 participating in the group's monthly luncheons, which have also expanded from seven months per year to twelve. Ms. Leitch said the additional amount is meant to subsidize the luncheons, purchase needed kitchen equipment, and possibly sponsor some trips.

Citizen Comments:

Nate Woodward suggested that the Seniors and the Recreation Commission collaborate for bus trips. Joan Fox announced that some of the residents present attended the Board of Education's meeting and were concerned with the Board of Finance's response to the elementary school budget. Kathy Donahue explained that the Board of Education had yet to submit a proposal to the finance board, therefore no decisions have been made.

Joy Becker asked if the finance board intended to hold the elementary school to a level spending plan. Kathy Donahue stated that it was her understanding from attending school board meetings that school officials were studying educational models which might impact the budget.

Nicole Smat inquired as to State cuts and the budget process. Kathy Donahue explained that the school board presents a proposal to the finance board, which makes recommendations for school officials to consider. Ms. Donahue distributed the State's estimated Educational Cost Sharing schedule from 2019 – 2028, which anticipates cuts totaling \$493,403 in State funding for Hampton, noting that the impact to the school budget the previous year was based on the percentage of the district's students enrolled in the elementary school. Perry Matchinis explained the Minimum Budget Requirement and reminded those in attendance that last year the school sustained a \$31,916 cut and finished the fiscal year with \$35,305 in unspent funds, which voters returned to the school's capital account. He also reminded residents that the voters approved \$200,000 for the replacement of the school's generator and repairs to the school's parking lot.

Jason Lathrop stated that special education needs have changed in the school, necessitating additional staff. He asked if grants were available for special education. Kathy Donahue stated that reimbursement was available when schools reached a spending threshold, and Chairman Sanchez added that State legislators at a recent meeting were asked to lower the special education threshold. She suggested that residents write to their legislators.

Stacey Lathrop stated that the school is losing teachers. Kathy Donahue said that staffing questions should be asked of the school administration, noting that the Board of Finance has no authority over specific line items.

Mike Gendreau questioned why the Town funded a new generator for the school instead of staff and supplies to support education. First Selectman Cahill explained that the school building is Town property and that the Town has a responsibility to protect its assets by properly maintaining them.

Jessie Samios took exception with Mr. Gendreau's claim that older residents don't care for students or their education, stating that it was an unfair generalization. Kathy Donahue noted that Hampton's net current expenditures per pupil are among the top ten in spending in the State.

Candace Morrell advocated for two teachers per classroom; Kathy Donahue repeated that staffing is the responsibility of the education, not the finance, board.

Marlies Thomen advocated for a 3.9% increase to the school board budget. Chairman Sanchez encouraged residents to return after the elementary school presented a proposal. Ed Adelman noted that the Board of Finance will list the presentation of the Board of Education's budget on its Agenda.

Approval of Minutes of February 12, 2020 Regular Meeting

Motion: Kathy Donahue, seconded by Ed Adelman, to approve the Minutes of the February 12, 2020 Regular Meeting. Motion carried unanimously, Stan Crawford abstaining.

Reports/Actions

First Selectman: First Selectman Cahill announced that the community dance has been cancelled due to concerns over the coronavirus pandemic. He also announced that the Board of Selectmen voted 2-1 to petition Regional District #11 for withdrawal from the district after assessing the declining student enrollment and increasing costs. Mr. Cahill reported that tree removal continues, and that the bucket truck has covered its purchase cost. He also reported that K&B Ambulance responded to 18 calls last month and provided 15 transports with a response time averaging 14 to 15 minutes and ranging from 9 to 21 minutes per response. Additionally, CIRMA insurance has reduced by 5% as the Town no longer provides its own emergency medical services. Mr. Cahill stated his intent to sign a contract with K&B Ambulance in collaboration with Eastford and Pomfret, where the ambulance will be housed, with a July 1, 2020 start date. Fire Department member Jake Berard explained that Windham's paramedics still respond to 50% of the calls and that our local team of respondents are first to arrive for emergency calls. Kathy Donahue asked if the department needed additional funds due to the coronavirus pandemic and Mr. Berard said that while the EMTs were well supplied, the Fire Department might require additional funds

for 14 air packs and 28 bottles. He said that leasing these supplies for \$19,000 per year is an option, and Perry Matchinis suggested that a grant might be available, though Mr. Berard said that grants are usually based on call volume. The board requested that the Fire Department amend its budget proposal to include this request and also to provide a 5-Year Plan.

Tax Collector: First Selectman Cahill will forward the Tax Collector's report to the Finance Board for distribution.

Treasurer: The Treasurer requested a number of transfers for this and last month. After discussion, the finance board decided that the line item for Board of Finance Administration, \$1400 for the remainder of the fiscal year, come from Contingency.

Motion: Kathy Donahue, seconded by Perry Matchinis, to approve the following transfers: \$160 from 6000-05 Selectmen Mileage to 6000-06 Selectman Supplies; \$270 from 6003-02 Town Clerk Land Records to 6000-03 Town Clerk Assistant; \$200 from 7000 Contingency to 6004 Town Counsel; \$91 from 6011-03 Inland Wetland Mileage to 6011-02 Inland Wetland Legal Notices; \$1400 from Contingency to 6012-01 Board of Finance Administration; \$70 from 6013-16 Community Center Alarm to 6013-14 Community Center Water; \$1300 from 7000 Contingency to 6100-08 Building Inspector Supplies; \$2100 from 6201-05 Diesel to 6201-07 Town Garage Maintenance. Motion carried unanimously.

Boards of Education: Kathy Donahue reported that the elementary school board has presented three versions of its budget and the RD#11 Board of Education has presented a first draft. She distributed the *OLR Research Report: Municipal Spending Cap* as well as information on the ECS phase-in plan, the Governor's adopted FY2021 budget and recommended adjustments, and the RD#11 enrollment summary.

Board of Finance Committees:

Human Resource Committee: Kathy Donahue reported that the market analysis comparing municipal employee compensation has been collected and suggests a special meeting to analyze the information as it is considerable.

Other: none.

The Board recessed at 8:40 PM. The meeting reconvened at 8:45 PM.

Correspondence: Chairman Sanchez read a letter into the record submitted by Dayna McDermott Arriola requesting that the board develop procedures for approving and paying wages and reimbursement to Town employees and officials.

Old Business:

a. Discuss Meeting Dates and Times

Motion: Perry Matchinis, seconded by Kathy Donahue, to table discussion on meeting dates and times. Motion carried unanimously.

b. Renewal of Certificates of Deposit: Treasurer Rodriguez reported that the rates have not changed since the last meeting.

New Business:

a. Review Annual Report: The draft version of the Annual Report of the Board of Finance was distributed; members were asked to review it for approval at the next meeting.

- b. Discussion of Future Accounting Policies and Procedures:** Kathy Donahue distributed the *Town of Chaplin Accounting Policies and Procedures Manual*. Ed Adelman asked what the impetus was for creating it. Ms. Donahue said that Chaplin's Boards of Selectmen and Finance collaborated with the Town Counsel and Auditor to develop procedures in response to identified issues. Treasurer Rodriguez stated that the Town has a similar manual and asked why Hampton's wasn't sought first. Ms. Donahue stated the intent to compare multiple towns in response to Hampton's failure to follow State statutes regarding a Town purchase.
Motion: Perry Matchinis, seconded by Kathy Donahue, to hear Citizen Comments. Motion carried unanimously.

Citizens Comments:

Jessie Samios asked if the executive session item would be discussed in public when the meeting reconvened. Kathy Donahue said that the matter would be discussed publicly and materials would be subject to Freedom of Information and available in the Town Clerk's Office.

Mark Samios suggested that public meetings be recorded and broadcast.

- c. Discussion of Possible Legal Action to Protect the Town's Rights in Purchasing Matter (Possible Executive Session):** In the interest of transparency and public relations, Ed Adelman challenged the need to hold an executive session. Kathy Donahue stated that the executive sessions, and the language of the Agenda, were recommended by the Freedom of Information Commission.

Motion: Kathy Donahue, seconded by Perry Matchinis, to enter Executive Session at 9:00 PM. Motion carried 4-2.

In Favor: Chairman Sanchez, Kathy Donahue, Perry Matchinis, Diane Gagnon

Opposed: Ed Adelman, Stan Crawford

Present for the Executive Session: Chairman Sanchez, Kathy Donahue, Perry Matchinis, Diane Gagnon, Ed Adelman, Stan Crawford, and First Selectman Al Cahill.

The public meeting reconvened at 9:32 p.m.

- d. Discussion and Possible Action on Legal Action to Protect the Town's Rights in Purchasing Matter**

Chairman Sanchez stated that the action is necessary for purposes of the audit, and because the finance board has a fiduciary and ethical responsibility to report the failure of the Selectmen to follow the statutes concerning purchases to State agencies, noting that the documentation will become public after it is sent to the State agencies. Kathy Donahue added that protections are important whether the fiscal authority is the Board of Selectmen or Finance, and Diane Gagnon added that it's necessary to protect the Town against a reoccurrence of a purchase without approval of the legislative body.

Motion: Kathy Donahue, seconded by Diane Gagnon, to approve and send the letter dated March 12, 2020, and its appendices, to the Office of Policy and Management and to the State's Attorney. Motion carried, 5 – 1.

In Favor: Chairman Sanchez, Kathy Donahue, Perry Matchinis, Diane Gagnon and Ed Adelman

Opposed: Stan Crawford

Additions to the Agenda: none.

Citizen Comments:

Nate Woodward asked if the Board of Finance was taking legal action against the Selectmen. Kathy Donahue stated that the finance board is simply reporting the specifics of the Selectmen's failure to follow the statutes to OPM and to the State's Attorney on the advice of counsel.

Mark Samios asked if the finance board was recommending legal action. Kathy Donahue stated that an action, or an investigation, would be the decision of the State's Attorney, and that the letter would be available in the Town Clerk's Office along with the Minutes of the Meeting.

Suggestions for Next Agenda:

Discuss Meeting Dates and Times

Review Annual Report

Budget Presentations: Fletcher Memorial Library, Building Department, Hampton Elementary School, Regional District #11

Review 5-Year Plan

Date, Time and Place of Next Meeting: Regular Meeting on April 8, 2020 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 PM.

Respectfully submitted,

Dayna McDermott Arriola
Recording Clerk

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

Attachments:

Correspondence to Anne F. Mahoney, State's Attorney

Correspondence to Kimberly Kennison, Executive Finance Officer, Office of Policy and Management

Correspondence from Dayna McDermott Arriola

Anne F. Mahoney, State's Attorney
Suite 208 120 School Street Danielson, CT 06239

[date]

To the Honorable Anne F. Mahoney,

We, the Hampton Board of Finance, request an investigation into the following state statutory infractions committed by the following Town of Hampton officials:

- The Town of Hampton Board of Selectmen, for:
 - expending in excess of \$20,000, usurping the authority of the Board of Finance in violation of Connecticut General Statutes section 7-340 and the Hampton Ordinance Establishing a Board of Finance (Appendix A);
 - denying the Hampton taxpayers their statutory right to approve additional purchases in excess of \$20,000, in violation of Connecticut General Statutes section 7-348; and
 - failure to obtain competitive bids in violation of the Hampton Ordinance on Bidding for Purchases and Services (Appendix B).
- The Town of Hampton Treasurer, for failure to obtain proper authority for a purchase, in violation of Connecticut General Statutes section 7-80.

Background: The Town of Hampton is a small town in the Northeast corner of Connecticut which operates under a Board of Selectmen form of government. Hampton does not have a charter so its government is otherwise governed by the Connecticut Constitution, the Connecticut General Statutes, and the Town of Hampton Ordinances. In May of 2012, the legislative body of the town, by referendum vote, approved an ordinance forming a Board of Finance (Appendix A).

On Monday, October 7, 2019 (Appendix C), the Board of Selectmen voted to approve the purchase of a 75' bucket truck to continue to fulfill the town's obligation in the removal of 250 trees identified in the Board of Selectmen's August minutes. (Appendix D). The Selectmen also voted to schedule a special town meeting for October 24, 2019 for taxpayers of the town to approve the purchase, quoted at \$173,600, an amount in excess of the \$20,000 threshold requiring taxpayer approval as stated in C.G.S. § 7-348.

On October 8, 2019, the Selectmen told the Board of Finance at their meeting of the proposal (Appendix E), providing no written documentation. In response, the Board of Finance requested a comparative cost analysis of all options, such as truck rental, subcontracting, leasing options, some combination of services, etc. and the relevant associated costs. The Board of Finance also inquired whether or not the policies outlined in the Town's bidding ordinance, adopted at a July 9, 2019 referendum, were followed. The Board of Finance also requested a referendum vote to facilitate voter access, instead of a Town meeting, be scheduled to vote on the purchase—i.e. the regular practice of the last couple of decades—since it represents nearly 9% of the Town Government budget.

Both boards scheduled special meetings on October 21, 2019 (Appendix F and G) to address these issues. At the Board of Finance meeting, First Selectman Allan Cahill again provided no written documentation of the cost analysis and comparisons in response to the Board of Finance's explicit concerns and requests regarding the proposed purchase. It was also noted that the purchase of a tree truck was not listed on the 2019-20 Five-year plan, nor ever discussed at any Safety Committee meetings for 2019 (Appendix H). First Selectman Cahill only verbally provided an interest rate he obtained for financing the purchase of the bucket truck. At the Board of Selectmen's meeting that was held immediately after the Board of Finance meeting,

Selectmen voted to cancel the October 24, 2019 special Town meeting scheduled to approve the purchase, and to continue to address the removal of trees on a daily basis.

However, the Selectmen announced at their November 7, 2019 meeting (Appendix I) that they had purchased the truck on October 30, 2019, without holding a formal meeting of the Board of Selectmen, without competitive bidding as required by ordinance (Appendix B), and without the statutorily mandated approvals of both the Board of Finance and the Town's legislative body.

Financial documentation subsequently obtained by the Board of Finance revealed that funds to purchase the bucket truck were dispersed from the Town's following accounts:

- Capital Nonrecurring account for Trucks and Equipment (\$82,000);
- the entire balance of the Road Paving account for the fiscal year 2020 (\$70,000) appropriated by the Town at a July 9, 2019 referendum; and
- the First Selectman's salary line (\$21,690), an amount not yet earned (Appendix J).

Without proper statutorily required approval, First Selectman Cahill approved the funding for the bucket truck, per notes on the cover page of the Purchase Order (Appendix K). The checks (Appendix L) for the purchase were signed by First Selectman Cahill, Selectman Robert Grindle and Town Treasurer Ellen Rodriguez.

In response, the Board of Finance at its next meeting on November 19, 2019 (Appendix M) voted to engage an attorney to assist it in recommending procedures to protect the Town's finances from unauthorized expenditures.

At their regular meeting on December 2, 2019 (Appendix N), the Board of Selectmen discussed rescinding the ordinance establishing the Board of Finance.

With the minimum statutorily allowed notice for special meetings (24 hours), the Board of Selectmen voted on December 5, 2019 (Appendix O) to set a special town meeting for December 23, 2019 (Appendix O). At that meeting, First Selectman Cahill publicly stated his refusal to pay for the Board of Finance's legal bill (a recording of that meeting is available). The Board of Selectmen scheduled a referendum for January 6, 2020 to rescind the ordinance that established the Board of Finance. The question failed (Appendix P).

We thank you for considering an investigation. Members of the Hampton Board of Finance will be available to meet with you, if necessary.

Lisa Sanchez, Chair, for the Hampton Board of Finance

Phone: [redacted]. Email: [redacted]

We look forward to hearing from you. Since I will be traveling this month, please contact our Board's Vice Chair first if you have any questions or need additional information. Her contact information is below:

Kathy Donahue, Vice Chair. Phone: [redacted]. Email: [redacted]

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- A Ordinance Establishing a Board of Finance
- B Ordinance on Bidding for Purchases and Services
- C Board of Selectmen 10/7/19 meeting minutes
- D Board of Selectmen 8/5/19 meeting minutes
- E Board of Finance 10/8/19 meeting minutes
- F Board of Finance 10/21/19 special meeting minutes
- H 2019-2020 5-year plan and Safety Committee meeting minutes for 2019
- G Board of Selectmen 10/21/19 special meeting minutes
- I Board of Selectmen 11/7/19 meeting minutes
- J Vendor list of payments for October 2019, Budget vs Actual report July through October 2019 and Capital Nonrecurring Account transaction list for October 2019
- K Purchase order for 75' bucket tree truck from Hartford Freightliner
- L Check images for purchase of tree truck from Hartford Freightliner
- M Board of Finance 11/19/19 meeting minutes
- N Board of Selectmen 12/2/19
- O Special Town Meeting 12/23/19 minutes & 12/5/19 meeting minutes
- P Certificate of Vote; Hampton referendum, 1-6-2020

[Cover letter for OPM]

Kimberly Kennison
Executive Finance Officer
Office of Finance
State of Connecticut,
Office of Policy and Management, MS# 54FIN, 450 Capitol Avenue, Hartford, CT 06106-1379

[date]

Dear Ms. Kennison,

This complaint and documentation supporting it were submitted to Anne F. Mahoney, the Connecticut State's Attorney for the Windham Judicial District on [date]. We are currently developing a financial procedures manual that will create more checks and balances for our town. As the fiscal authority of the Town of Hampton, we feel a fiduciary responsibility to seek your advice on ways we can prevent this kind of thing from happening again.

Members of the Hampton Board of Finance will be available to meet with you, if necessary.

Thank you for your attention to this matter,

Lisa Sanchez, Chair, for the Hampton Board of Finance

Phone: [redacted]. Email: [redacted]

We look forward to hearing from you. Since I will be traveling this month, please contact our Board's Vice Chair first if you have any questions or need additional information. Her contact information is below:

Kathy Donahue, Vice Chair. Phone: [redacted]. Email: [redacted]

February 28, 2020

To Whom It May Concern:

On February 4, I submitted my expenses for the January 6 referendum, including my monthly time sheet and the mileage log for posting 35 'Vote Today' signs around town. The FY2019-2020 budget included mileage as a line item, explained annually as covering the Registrars of Voters Annual Conference, quarterly Registrars of Voters County Meetings, and posting the 'Vote Today' signs for all anticipated election events.

Since I hadn't received reimbursement, I thought I had neglected to submit the mileage log and on February 18 asked the Treasurer if that was the case. She responded that the First Selectmen had not approved the expense and handed the log to me. I asked why, and she directed me to "ask him".

I immediately went to the First Selectman's office, thinking that perhaps he was questioning the necessity, or the miles. Instead, he informed me that he was not reimbursing me because "there was a guy in the back of the room at the Town Meeting who said that lots of people donate to the town", and that he decided I could donate this. I clarified with him that it was my husband who had raised that opinion two months prior at the December 23 meeting, and he confirmed that, yes, he was referring to Juan Arriola. That was the last point I made with which he agreed.

I suggested that individuals have the right to donate time and money but the First Selectman cannot make that choice for them. I informed him that the legislative body approved the line item for mileage. I explained the value of posting the signs as it relates to voter participation. I said that his action was ex post facto as I was not informed prior to posting the signs that he was refusing to compensate me for it. He indicated his disagreement with all of these statements. I asked if he was refusing to pay mileage for the county meetings and the state convention. He shrugged. I asked if he was refusing to pay my wages. He shrugged. I asked him if he was paying every other department's mileage and he nodded yes, to which I answered, "that's discriminatory". To this he responded with charges of "playing victim and race cards". I responded with the words I reserve to express outrage.

Mr. Cahill then stood and demanded that I leave his office. I told him that I wasn't done, reminding him that he is a public official, that this is a public building, and that he could call the police and have me removed from the premises if my presence constituted a breach of the peace. Mr. Cahill then left the office, and I sat with Selectman Meade for a half of an hour, discussing a variety of issues, past and present; it was a respectful and calm conversation.

Juan Arriola went to Town Hall to meet with Mr. Cahill later that afternoon. He explained that discrimination does not need to be racially motivated, that treating people differently is sufficient, and informed him that he could either reimburse the mileage, or we would be forced to file with the Connecticut Human Rights Commission, a complaint that will affect him personally and the Town as a whole, on the grounds of discrimination, retaliation, harassment, violation of associative freedom, and the creation of a hostile work environment. Mr. Cahill then agreed to pay the amount, and has since.

I suggest that the Town develop procedures for approving and paying wages and reimbursement to town employees and officials. This action has exposed a vulnerability for employees and the Town. That the First Selectman can decide whether or not people are compensated for performing their duties on the basis of what one of their relatives said at a public meeting is outrageous and it is chilling. I strongly urge you to develop policies so that this never happens to anyone again. Additionally, I do believe that an apology is in order, and perhaps training on discriminatory practices for Town Hall officials.

Respectfully,

Dayna McDermott Arriola