

Town of Hampton
Board of Finance
Budget Workshop Session
March 29, 2022
6:30 PM

Call to Order: The meeting was called to order at 6:32 PM.

Roll Call: Kathy Donahue, Ed Adelman, Nick Brown, Joan Fox, Kathi Newcombe, Stan Crawford.
Staff and Others Present: Selectman Allan Cahill (6:36), Treasurer Ellen Rodriguez, Recording Secretary Dayna McDermott-Arriola.

Seating of Alternates:

Motion: Nick Brown, seconded by Ed Adelman, to seat Kathi Newcombe for Judy Buell and Stan Crawford for Diane Gagnon. Motion carried unanimously.

Citizen Comments: none.

Budget Workshop Session

Treasurer Rodriguez distributed the most recent draft version of the FY2023-2024 budget. Some departments have yet to submit their requests. Chairman Donahue stated that she and the First Selectman have met and suggest the use of American Recovery Funds to cover some of the equipment needs of the Fire Department, and the use of the unassigned fund balance for the Town match for the grant the Conservation Commission has applied for to make improvements at the Town's Hammond Hill property. These measures require separate questions for Town approval.

First Selectman Cahill reported that the amount budgeted for tree removal has been reduced by \$30,000, contingency has been halved, and the Fire Department Incentive line does not require funding this year as the Board of Finance's recent activity has placed into the account an amount sufficient to cover the next year's costs. Mr. Cahill also stated that the fee for the Ambulance Service will increase by 8%, or \$90,720 per town, though some of this amount might also be covered by the American Recovery Fund. In the future, the three participating towns are hoping to negotiate a 3-5 year contract with the service provider. To Nick Brown's question, Mr. Cahill explained that costs per town are divided equally among the three, and that the Town of Pomfret houses the ambulances; and to Ed Adelman's question, that all participating towns are comfortable with the financial arrangement and pleased with the service.

There was some discussion on increasing the current proposal of 3% raises for Town employees due to inflation and the cost-of-living increment. Chairman Donahue reported that there's the possibility of eliminating the individual insurance co-payment for the members of the Department of Public Works.

Treasurer Rodriguez will present the budget with 5% raises to compare with the current version.

Joan Fox reported that the Regional District #11 Budget is at a 2.97% overall increase. Both she and Chairman Donahue spoke to the challenges of Special Education costs at the school. The per town assessment has not yet been received.

Discussion and Possible Action on Deposit/Investment Accounts

Chairman Donahue expressed her concern that, with the recent bank failures, Town funds are not Federal Deposit Insurance Corporation (FDIC) protected beyond \$250,000 per account; FDIC protection for municipal accounts allows for \$250,000 for demand account and \$250,000 for time and savings accounts, per bank. She requested a current report on all Town funds and their FDIC protection, and reminded board members that this issue had been previously discussed and remedied. On her recommendation, Treasurer Rodriguez has been contacting banks to find those which offer accounts for municipal funds. Treasurer Rodriguez distributed information on the unprotected amounts as follows: \$331,115 in the

Town's checking accounts, and \$1,228,647 in the Town's savings accounts, deposited at Berkshire Bank; and \$243,347 in the Town's savings account at Webster Bank. Additionally, there is \$424,557 in the Short-Term Investment Fund (STIF) account which currently yields the highest interest rate. There was much discussion surrounding the need to protect the Town's money in FDIC insured accounts versus the opportunity to earn interest in unprotected accounts. Placing additional money in the Length of Service Award Program (LOSAP), which yields the highest interest rate, toward future payments was also discussed. After discussion, the following compromise was reached by general consent:

- to invest approximately 25% of the funds into the STIF account,
- to invest approximately 75% into FDIC insured accounts,
- to invest, pending Town approval, \$100,000 into the LOSIP account.

Motion: Nick Brown, seconded by Joan Fox, to authorize the First Selectman, Finance Board Chairman, and Treasurer to invest the funds as discussed and agreed upon by general consent. Motion carried unanimously.

Citizen Comments: none.

Adjournment: There being no further business to come before the Board, the Meeting adjourned at 7:27PM.

Respectfully submitted,

Dayna McDermott Arriola
Recording Secretary

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