

Town of Hampton
Board of Finance
Regular Meeting
October 14, 2020
7:00 PM
Zoom Meeting

Call to Order: The meeting was called to order at 7:03 PM.

Roll Call: Kathy Donahue, Nick Brown, Ed Adelman, Diane Gagnon, Perry Matchinis, Judy Buell, Kathy Newcombe, and Stan Crawford.

Staff and Others Present: First Selectman Al Cahill, Selectman Bob Grindle, Treasurer Ellen Rodriguez, Recording Secretary Dayna McDermott-Arriola.

Citizen Comments:

Joan Fox asked if the Town saves money utilizing Windham's tax collection services. Treasurer Rodriguez answered that the Town saves \$11,000 annually. To Ms. Fox's question on where the Board of Finance's expenses are published, Nick Brown stated that the Finance Board's Account, #6012, is on page 6 of the Budget vs. Actual document on the Town website. Ms. Fox also noted that the Town website still lists the regular meetings of the Board of Finance as the second Tuesday of the month.

Approval of Minutes of September 9, 2020 Regular Meeting

Motion: Diane Gagnon, seconded by Ed Adelman, to approve the Minutes of the September 9, 2020 Regular Meeting with the following amendments: under Report of the First Selectman, "...a misallocation of funds on the DEEP level resulted in a failure to complete the surfaces on the trails in *Hampton*"; and under the Report of the Treasurer, "...the Town Attorney informed the Selectmen that both the Boards of Selectmen and Finance could approve transfers in cumulative excess of \$20,000 *according to Governor Lamont's executive order due to Covid.*" Motion carried 5-0, Perry Matchinis abstaining.

Presentations: none.

Reports/Actions

First Selectman: First Selectman Cahill noted that utilizing the Town of Windham's tax office also resulted in an increase of service hours from 16 to 32 per week and 5-6 employees available in the department. The Tax Collector is planning a January tax auction for taxes that have been delinquent for many years. Mr. Cahill stated that the lights have been installed in the pavilion, and John Berard fixed the faulty valves responsible for a water failure at Town Hall. The purchase order for the backhoe has been completed and signed at a cost of \$128,730.52. With the trade-in amounting to \$21,500, the final cost is \$107,230.52. To Chairman Donahue's question on an extended warranty, Mr. Cahill said the Town has a year to decide those details. Mr. Cahill also noted that the STEAP grant process has been delayed.

Tax Collector: The report was distributed to members.

Treasurer: Treasurer Rodriguez reported that the Town Auditor is working on the audit. She requested two transfers for FY2019-2020 for bills which were submitted late.

Motion: Nick Brown, seconded by Diane Gagnon, to transfer \$155 to #6100-13 Department of Transportation Physicals from #6100-12 Burning Permits, and \$79 to #6300-00 Sanitation Transfer Station from #6300-01 Sanitation Payroll. Motion carried unanimously.

Board of Education

Hampton Elementary School: Chairman Donahue reported that there are 55 students attending school with 17 students engaged in distance learning and 6 students receiving home school instruction.

Regional District #11: Board of Education member Joan Fox reported that students are adhering to Covid regulations in school and in sports activities. The board is developing a teacher evaluation program that addresses the needs of all students and their families during Covid. Chairman Donahue noted that the board is also discussing the school's ventilation system.

Board of Finance Committees

Policies and Procedures Committee: Kathi Newcombe reported that the committee has met a few times and after obtaining documents from several towns, will start using Pomfret's Policies and Procedures as a template for Hampton. Chairman Donahue noted that the Treasurer and the Selectmen are involved in the process.

Correspondence: Chairman Donahue reported receipt of a correspondence from J. Charron listing several concerns that were not within the finance board's purview and have been forwarded to the Planning and Zoning Department. The letter of engagement for the finance board's attorney, a communication from the Hampton/Chaplin Ambulance Corps, and information regarding changes in the Minimum Budget Requirement were distributed to board members.

Old Business

a. Funding of Airline Trail Pamphlet and Trail Completion

Chairman Donahue will contact Laura McCabe, Hampton's representative on the Eastern Regional Tourism District, regarding donations from individuals and organizations.

New Business

a. Reimbursement for Covid Expenses

Treasurer Rodriguez is waiting for reports from the elementary school prior to submitting Covid related expenses for reimbursement. Ed Adelman asked if the Town was seeking reimbursement from the State or the Federal government. First Selectman Cahill explained that the Town is required to submit to FEMA first, and after the claims are rejected, will apply to OPM for reimbursement. Chairman Donahue asked for a summary of claims to date.

b. Update on Negotiations with Hampton Education Association

Ed Adelman reported that there have been four meetings thus far and mediation is planned for November. First Selectman Cahill suggested that the duration of the contract be limited to one or two years, as several area towns are interested in educating our students in the event that the population declines to the point that the school is no longer viable. Mr. Adelman stated he would relay the First Selectman's suggestion. Stan Crawford noted that the student population declined 17% this year. Chairman Donahue announced that the cost of living increase for next year is 1.3%.

c. Discussion and Possible Action on Written Correspondences from Hampton-Chaplin Ambulance Corps Dated 9/29/20 (Possible Executive Session)

A letter submitted to the members of the Board of Selectmen and the Board of Finance from Ben Brockett, Chief, and Joan Marquis, President, of the Hampton-Chaplin Ambulance Corps (HCAC) was read into the record (attached). First Selectman Cahill informed the finance board that he contacted the First Selectman of Chaplin who said he has not received a similar correspondence. He also contacted the Town Attorney who stated that a response to the request is not necessary unless a law suit is initiated. First Selectman Cahill explained that \$12,000 was budgeted yearly in a CNR account for the purchase of an ambulance, an amount discussed at many meetings of the Selectmen, the Finance Board and the Town, and that there

was never any other understanding between the Town and the HCAC. Finance board members concurred with this recollection. Kathi Newcombe reported that the HCAC 501c status expired in 2015 due to the failure of the organization to file federal forms required annually, and Mr. Cahill reported that the liability insurance was terminated due to a lack of payment. Chairman Donahue asked if there were any outstanding bills due, and Mr. Cahill answered that the payments to Windham paramedics were deficient, amounting to a debt of over \$75,000. First Selectmen Cahill confirmed that budget requests for all departments are filed at Town Hall, adding that the HCAC submitted requests ranging from \$24,000 to \$28,000 for their last three budgets. Chairman Donahue noted that their budget requests were also documented in the Minutes of the Board of Finance.

Additions to Agenda

Motion: Perry Matchinis, seconded by Diane Gagnon, to add to the agenda Discussion and Action on the Approval of the Contract for Legal Services. Motion carried unanimously. Ed Adelman mentioned that Stan Crawford questioned the need for the finance board's own attorney, and he suggested that legal counsel could be attained on the basis of need if necessary. Chairman Donahue noted that comments should not be included in emailed communications and that the proper place to comment is at a noticed, public meeting. Perry Matchinis stated his belief that the Board of Selectmen and Finance are separate entities and that the Town Attorney could not properly serve two separate clients, suggesting that such an arrangement could constitute a conflict of interest, particularly when there were conflicts between the Boards of Selectmen and Finance. He added that some issues require an attorney whose expertise is representation of finance board. Chairman Donahue noted that such expertise would be helpful as the finance board reviews and develops policies and procedures, adding that the money for the finance attorney is part of the approved budget. She also suggested that the board needs representation which can be readily accessed. Kathi Newcombe, Diane Gagnon, and Judy Buell concurred. Nick Brown asked if the rate of \$295 for legal counsel and \$175 for the services of a paralegal were comparable to the rate of the Town Attorney. The information was not available at the meeting. Judy Buell agreed that the decision should be tabled until that information was available.

Motion: Perry Matchinis, seconded by Diane Gagnon, to approve the engagement letter for legal services. Motion carried unanimously.

In Favor: Perry Matchinis, Diane Gagnon, Kathy Donahue

Opposed: Ed Adelman, Nick Brown, Judy Buell

There being a tie, the Motion failed and the item will be added to the next Agenda when information on rates will be available.

Motion: Perry Matchinis, seconded by Ed Adelman, to add to the agenda Set the Meeting Dates and Times for 2021-2022. Motion carried unanimously.

Motion: Diane Gagnon, seconded by Nick Brown, to set the Regular Meeting Dates and Times for the second Wednesday of each month at 7PM. Motion carried unanimously.

The schedule will be submitted to the Town Clerk. It was noted that the November 11 proposed date coincides with Veterans Day and an alternate date would be set for that month.

Motion: Perry Matchinis, seconded by Diane Gagnon, to add to the agenda Discussion and Action of Funding the CNR Account for the Purchase of the Backhoe. Motion carried unanimously.

Kathi Newcombe asked if the purchase should be funded by the undesignated fund balance, or from a loan. Though she did not advocate the latter suggestion, she suggested that the finance board should discuss the method of funding. Chairman Donahue noted that the General Fund is currently at 22% of the operating budget, and First Selectman Cahill pointed out the terms of the contract for the backhoe purchase.

Motion: Perry Matchinis, seconded by Diane Gagnon, to transfer \$107, 230.52 from the Unassigned Fund Balance to #2430, Trucks & Equipment CNR Account. Motion carried unanimously.

Citizen Comments: Perry Matchinis announced that the sale of his house is pending and his intent to resign if his house is indeed sold. He thanked Selectman Grindle for his recent removal of an offensive sign from the village.

Suggestions for next Agenda:

Revisit Funding of Airline Trail Pamphlet and Trail Completion
Update of Reimbursement for Covid Expenses
Update on Negotiations with Hampton Education Association
Approval of Engagement Letter for the Finance Board's Legal Services

Date, Time and Place of Next Meeting: November 11, 2020, at 7PM.

Selectmen Grindle noted that the Meeting coincides with the observance of Veterans Day. A Special Meeting will, therefore, be scheduled.

Adjournment: There being no further business to come before the Board, the Meeting adjourned at 8:36PM.

Respectfully submitted,

Dayna McDermott Arriola
Recording Secretary

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

Attachment:

Allan Cahill
First Selectman
Town of Hampton
allancahill@hamptonct.org

Dan Meade
Second Selectman
Town of Hampton
danmeade@hamptonct.org

Bob Grindle
Third Selectman
Town of Hampton
bobgrindle@hamptonct.org

Board of Finance
bof@hamptonct.org

Hampton Town Hall
164 Main Street
Hampton, CT

Dear Selectmen and Board of Finance:

We recently became aware that a vote was taken in Hampton in which monies belonging to the Hampton-Chaplin Ambulance Corp were transferred to the Town of Hampton General Fund. The Hampton-Chaplin Ambulance Officers and Executive Committee were never notified of this vote or the intentions of the Hampton Board of Selectmen/Town of Hampton to appropriate these legally held assets.

The vote taken was based on *"#9 To authorize the transfer of \$97,000 from Capital Non-Recurring (\$72,000 account 2435 ambulance reserve and \$25,000 account 2450 unrestricted funds to the Town General Fund."* *"RESPONSE: This designated Capital Non-Recurring money saved that cannot be repurposed until swept to the Town General Fund. Account #2425 was for a future Ambulance purchase. We now contract out to KB Ambulance. Account #2425 is where all interest accumulates from all Capital Non-Recurring accounts."*

This wording is based on the Selectman's description of the monies held. This was not additional money reserved by the Town of Hampton for the purchase of an ambulance. It was the amount of \$12,000 annually, over the last six years, which was withheld from the annual cost of ambulance service to the Town of Hampton. The Selectman earmarked the account as funding for a new ambulance. However, since these monies were withheld from the annual fees owed to the Hampton-Chaplin Ambulance, service that has already been provided, this money is solely an asset of the HCAC and must be refunded to the HCAC. This asset was to be used only for HCAC purposes and could be accessed by the HCAC at any time to be used at their discretion. Again, this money was not held for PENDING services of the Ambulance Corps, it is money that was withheld from payments due for ambulance services, legally contracted with the Town of Hampton, provided PRIOR to the Town of Hampton contracting service with KB Ambulance.

At the time of dissolution of the Hampton-Chaplin Ambulance Corps, all assets must be distributed according to Connecticut State Law pertaining to the dissolution of a 501C non-profit. The money held in an account by the Town of Hampton for previous service rendered are indeed some of those assets and must to be transferred to the HCAC.

At the time that this money was misappropriated by being transferred to the Town of Hampton General Fund, funds which were willed to the HCAC were also transferred to the General Fund. This Will specified that if the HCAC disbanded, the funds would then be donated to the Fletcher Memorial Library. These funds have since been removed from the General Fund and given to the Fletcher Memorial Library.

The money due to the ambulance corps, \$72,000, previously held in account #2435, must be reimbursed to the Hampton-Chaplin Ambulance Corps within 60 days, or legal action will be initiated for the return of these misappropriated funds.

Sincerely
Ben Brockett, Chief
Joan Marquis, President
Hampton-Chaplin Ambulance Corps
190 West Old Route 6
Hampton, CT 06247