

Town of Hampton  
Board of Finance  
Regular Monthly Meeting  
Tuesday, November 12, 2013  
7pm  
Hampton Town Hall

Meeting Minutes

**Call to Order:** The meeting was called to order at 7:00pm by 1<sup>st</sup> Selectman Allan Cahill.

Members present: Nick Brown, Ed Adelman, Jeff Clermont, Rick Matejka, Dan Meade.

Members absent: Penny Newbury.

Also present: 1<sup>st</sup> Selectman Al Cahill, Selectman Bob Grindle, HES Board of Education (BoE) Chair John Burnham and Vice-Chair Rose Bisson, HES Superintendent Paul Graseck, Tax Collector Harry Baum, Treasurer Ellen Rodriguez, Recording Clerk Kathi Newcombe and a few audience members.

**Election of Officers:** 1<sup>st</sup> Selectman Al Cahill requested nominations for Chair.

**Nick Brown nominated Jeff Clermont as Chair and Ed Adelman seconded; Jeff Clermont was unanimously elected Chair.**

1<sup>st</sup> Selectman Cahill turned the meeting over to the newly elected Chair, Jeff Clermont.

**Ed Adelman nominated Nick Brown and Dan Meade seconded; Nick Brown was unanimously elected Vice-Chair.**

After no nominations were forthcoming for Secretary, Jeff suggested that election of Secretary be tabled until Penny Newbury is present and can be asked if she would be willing to continue as Secretary; **Ed Adelman moved and Nick Brown seconded to table election of Secretary; motion passed unanimously.**

**Citizen Comments:** Rose Bisson congratulated the members of the Board of Finance (BoF) on their election. She is available to speak on the certified staff contract and negotiation process. She also questioned the paying of clerical time to send job descriptions to BoE members when she believes it is not the purview of the BoF to develop job descriptions.

HES Superintendent Paul Graseck asked for discussion of an education donation fund for the school;

**Nick Brown moved and Dan Meade seconded to add discussion of an education donation fund to the agenda under New Business; motion passed unanimously.**

Vi Marquis asked who selected the alternates; 1<sup>st</sup> Selectman Al Cahill responded that it was the duty of the Board of Selectmen (BoS). Jeff Clermont then inquired what the process would be for selecting alternates; Al Cahill replied that it might be based upon other top vote-getters from the election, and it would be under the purview of the BoS to make the decision.

Review of Minutes of 10/8/13 meeting: **Dan Meade moved and Nick Brown seconded to approve the minutes of the 10/8/13 meeting;; motion passed with Ed Adelman abstaining.**

**Presentations:** None.

**Reports/Action:**

- First Selectman: Al Cahill reported that the town was reimbursed by DEEP for the purchase of the Edwards/Vadnais property which is to be used for conservation; \$101,500 of funds went into open space fund. He and Treasurer Rodriguez reviewed for new members the history of the land acquisition and open space funds and what they can be used for. Selectman Bob Grindle also mentioned that the Conservation Commission had identified a list of desirable properties in town targeted for possible conservation, and suggested a presentation by Conservation Commission.
- Tax Collector:  
The monthly Tax Collector's reports had been distributed previously to members via email. Tax Collector Harry Baum was present to give an overview of the reports he provides to the BoF. He reports that despite the fact that tax bills were sent out two months later than last year, the town is virtually at the same point as last year, unlike many of the surrounding towns which are as much as 2-3% behind previous years in collection. He is working on collecting delinquent taxes from eighteen taxpayers who owe a significant amount, and explained the process and procedures he must follow in doing so, including a tax sale as a last resort. Last year, members of the BoS and the Tax Collector personally visited significantly delinquent taxpayers to encourage them to make some progress toward paying their back taxes, with some success. 97% of the current tax levy is budgeted plus a percentage of delinquent taxes in order to have a firm figure for expected revenue. He also explained that since real estate taxes are paid in two installments, but personal property and motor vehicle taxes are all due in a single installment early in the fiscal year, the town is now at about 54% of tax collection for the year. There were no other questions.
- Board of Education:  
The monthly BoE reports had been distributed previously to members via email. There were no questions on the reports. HES Vice-Chair Rose Bisson reported that the finalized contract is not yet available and has not yet been signed because of an ambiguous sentence regarding compensation. It is a two-year contract, and the highlights include an increase of \$21,939 in the first year and \$22,482 in the second year in salary cost to the town, with a decrease of \$8,000 in premium cost share, netting a \$36,421 overall cost over the life of the contract. A Health Savings Account was added as an alternative to the standard insurance package, and all other changes were language and did not affect finances. She explained the process which began in the 1980's to eliminate teacher strikes. The process must be completed 180 days before budget is presented to the town, which means negotiations begin no later than early August, mediation if needed starts mid-October, and arbitration as a last resort if there is no agreement by the end of October. Each side picks an arbitrator and agrees upon a third arbitrator. Each side gives last best offer on each issue and arbitrators decide between them, issue by issue, based upon the average settlement in the state. The average settlement in the state is a 3-year contract with a 9.4% increase over the three years, which is just over 3% per year; this contract is 2.5% per year. The arbitrators look at ability to pay based upon state reports and ECS grants; ranked 79<sup>th</sup> out of 169 towns. Hampton's teachers pay is about the average for Windham County. The BoE attorney doesn't think the town would win if it rejects the contract and goes to arbitration because the agreed-upon salary increase is less than the state average. Once the contract has been filed with the Town Clerk, the town has thirty days to reject by town meeting, which could be called by the BoS or petitioned by taxpayers. Arbitration would ensue by law with costs borne by both the town and the certified staff union; if rejected again the town would bear the costs plus the town may have to pay more for the contract in increased salary. The cost of arbitration is estimated to be \$50,000-75,000. Per Vice-Chair Bisson, a two-thirds majority would be needed to overturn the contract with a

minimum percentage of registered voters participating. No action is required to approve, action is only required to reject; the contract is assumed to be approved if no action is taken within the thirty-day window.

Jeff Clermont asked what the BoS would do once the contract had been received. Al Cahill responded that the BoS would review the contract and its provisions. He noted that voters had been unaware that the last contract had been filed and that was one of the reasons why a BoF was formed, in the interest of transparency.

Ed Adelman thought that it was not the job of the BoF to review the contract.

Dan Meade said it was the responsibility of the BoF to let the public know about the contract, as the go-between.

Ed Adelman does not remember any time that the taxpayers have rejected or attempted to reject the teacher contract.

Al Cahill thought the process works against the taxpayer; Rose Bisson disagreed and said that the taxpayer benefits by having a certain standard of education in the town. She offered additional details that there is a general wage increase in the first year; after six months everyone goes up one step if not already at the top step; there is no step increase the second year.

Bob Grindle asked how the scale measures to the rest of Windham County; salary for teachers at the masters level is higher than other towns, all other salaries are in the middle.

- Board of Finance Committees
  - HR Committee: Dan Meade stated that job descriptions of paid/appointed staff and position descriptions of elected officials are complete. He stated that the elected position descriptions were to serve to inform the public what the public officials are expected to do, and to act as a guide for anyone who might be interested in running for the position what the expectations are. Rose Bisson stated that Board of Ed members were sent a document stating it was a job description and objected to the statement that the position was supervised by the 1<sup>st</sup> Selectman. Dan Meade then suggested that the model was sent to the BoE members in a desired format so that they could modify as they saw fit. BoE Chair John Burnham said that duties of the BoE are determined by statute and he was hesitant to add any desired qualifications to the position description of a BoE member or to even summarize those duties for the document. Ed Adelman wants to revisit the role of the committee; he knows members of Boards of Finance in other towns who were surprised to hear that the Hampton BoF was dealing with HR matters. Jeff Clermont suggested that a final report be given at the next month's meeting, and discussion could then continue on the HR Committee.
- Treasurer:

The monthly Treasurer's reported had been distributed previously to members via email. Treasurer Rodriguez offered a copy of her policies and procedures to the new members. The auditors are now with the BoE and have just one or two questions about the town finances. She mentioned an article in the Chronicle concerning municipal account deposits and their insurance. Each municipality can have up to \$103,000,000 at a given bank that is covered by FDIC. She also said that the job description for the Treasurer sent out to all the BoF members had changed significantly from the one she had approved in March, including desired qualifications.

Nick Brown asked what the interest rate is on the loans the town has outstanding and suggested that the reserve be used to pay off the loans since the interest rate on the reserve is so little; Dan Meade explained that the reserve was a form of risk management, that the reserve is necessary to offset any major cuts in state funding, and that as a small town there are little

other options for additional revenue; Al Cahill also mentioned that a town disaster would need the reserve in order to recover.

Ed Adelman asked about the cost of the interest on the loans. Tax Collector Harry Baum suggested that he supports what Dan Meade said, that the amount spent on the interest is well spent on major purchases when the loan can be made for 3%. Ed Adelman suggested that we spent funds on four referenda on the school budget over small amounts of money; he is looking to recapture a number of small amounts of money that could ultimately make a big difference.

- Other:
  - Youth Sport Final Reports had been distributed previously to members via email. Selectman Bob Grindle stated the Youth Sports Committee no longer exists and that Bob Johnson was just appointed to the Rec Commission with the hope that he will revive the Youth Sports through that Commission.

**Correspondence:** A packet from CCM to be reviewed by Jeff and reported on at the next meeting if applicable.

**Old Business:**

- Review of job descriptions deferred to next meeting.
- Conflict of interest / Code of Ethics must be read and signed by each member and given to Treasurer Rodriguez.

**New Business:**

- Education Donations Fund: HES BoE Chair John Burnham reports that the Superintendent was approached by a number of residents who would like to donate monies to help offset the budget cuts. Auditor Marcia Marien reports that such a fund can be created as a special revenue fund and as such will not affect the Minimum Budget Requirement. The BoE has a policy on the donation of funds and would like the BoF to establish a special revenue fund to be tracked separate from other town funds. The BoE would set up policies and priorities on how and when the monies would be used. The Business Coordinator would be in charge of keeping track of donations and expenditures as part of regular record keeping. At this point, Ed Adelman recused himself from further comment and any vote on the subject as his wife is an employee at the elementary school, and moved to the audience.  
**Nick Brown moved and Dan Meade seconded to approve the creation of Education Donations Fund according to the guidelines set out by the town auditor on the document dated November 12, 2013; motion passed unanimously.** Superintendent Graseck indicated that the town auditor may be planning to attend the BoF meeting next month.
- Set 2014 meeting dates: **Dan Meade moved and Nick Brown seconded to make the regular monthly meetings for 2014 at 7pm at Town Hall on the second Tuesday of the month with the exception of November which will be the third Tuesday; those dates will be 1/14, 2/11, 3/11, 4/8, 5/13, 6/10, 7/8, 8/12, 9/9, 10/14, 11/18 (moved because of Veteran's Day), and 12/9; motion passed unanimously.** A number of dates were suggested for budget worksessions; those dates will be determined at next month's meeting.
- Ed Adelman suggested that the BoF page on the website needs to be updated, including the names of the members. He suggested supplying the Town Clerk or Administrative Assistant with information that should be added/updated.

- Nick Brown asked 1<sup>st</sup> Selectman Al Cahill about the procedures for purchasing or bidding and asked if the BoF could support the decision making. He offered to make a presentation of what the town overall is purchasing based upon a fiscal year vendor list.
- Recording Clerk: Jeff Clermont inquired if Kathi Newcombe's services as Recording Clerk could be retained; 1<sup>st</sup> Selectman Al Cahill responded that it was the call of the BoF. **Jeff Clermont moved and Nick Brown seconded to continue to retain Kathi Newcombe as BoF Recording Clerk; motion passed unanimously.**

**Citizen Comments:** None.

**Suggestions for Agenda of next monthly meeting:**

- HR Committee job descriptions
- BoF website page update
- Calendar of budget worksessions

**Set the Date, Time and Place of next meeting:** The next regular meeting will be the regular monthly meeting, to be held at 7pm on Tuesday, December 10<sup>th</sup> in the Town Hall Community Room.

**Adjourn:** Meeting was adjourned at 8:36pm.

Respectfully submitted,  
Kathi Newcombe,  
BoF Recording Clerk