

Town of Hampton
Board of Finance
Special Meeting
Tuesday, July 30, 2013
8:15pm
Hampton Town Hall Conference Room

Meeting Minutes

Call to Order: The meeting was called to order at 8:19pm by Chair Rheo Brouillard.

Members present: Rheo Brouillard, Margaret Haraghey, Penny Newbury, Paul Wakely, Stan Crawford.

Alternates present: None

Members/alternates absent: Luciann Norton, Dan Meade, Jeff Clermont.

Others present: 1st Selectman Al Cahill, Selectman Bob Grindle, and Recording Clerk Kathi Newcombe.

Citizen Comments: Kathy Donahue commented that there was space to cut in the budget by shuffling the schedule and using paraprofessionals for lunch and recess duties.

2013-14 Budget: Rheo announced that the elementary school budget failed to pass once again, this time by a vote of 174 yes, 211 no. He reviewed the history of the school budget to date:

- the original HES budget was an increase of approximately \$42,000 or about 1.8% over the previous fiscal year;
- the Board of Finance cut the bottom line to a zero percent increase budget which then failed at referendum vote on May 23rd;
- the Board of Finance discovered in mid-June that the HES budget could be cut by an additional \$173,000+ and still satisfy the Minimum Budget Requirement without penalty; the BoF opted to reduce that budget by only 20% of that figure or \$34,600;
- the Board of Education then cut more than was mandated, or \$41,109 resulting in an approximately 1.8% decrease; that budget was just defeated.

Rheo then laid out the options:

- cut the school budget minimally but the voters may not support that;
- cut the school budget enough to achieve an overall flat mil rate (\$83,000 in addition to the \$41000+ already cut), resulting in a bottom line of \$2,132,079, and hope that the level mil rate with no tax increase will satisfy the voters;
- cut the school budget by an additional \$133,000 which would be the maximum the budget could be lowered without penalty, due to the Minimum Budget Requirement;
- Cut the school budget anywhere in between the above figures.

Penny and Margaret agreed that for many voters, it was not necessarily the bottom line of the school budget that was the problem, but where the cuts were or were not made; Margaret made the point that the administrators could have volunteered to give up their increases.

Most members agreed that it was difficult to know what to do since there were so few citizens attending the meeting, nor were any Board of Education members present.

Paul asked what the sentiment was at the last town meeting; Rheo responded that wages, salaries & benefits were an issue; Penny also noted that there was also a larger issue of the size of the school – were there enough students to justify keeping the school open.

Paul suggested that in the past, grades had been combined into a single class to save on costs. Al mentioned that the 1st Selectmen of Chaplin, Scotland and Hampton are looking to contract with an outside consultant to take a look at the four schools within these three towns to determine what business model would make sense.

Paul suggested that the problem that families with children are not moving into town should also be examined.

Bob Grindle suggested that most of us have lived here long enough to see the school change from one that attracted students to one that does not, with essentially the same staff over the last two decades. He also thought that the Superintendent's comments about retirees at the last town meeting were very unfortunate.

Penny suggested that perhaps the school might welcome a fresh set of eyes looking at the budget, the school and its needs. Both Al and Bob were adamant that the Superintendent and Principal were highly educated and paid professionals whose job it was to look at the needs of the school and determine where the cuts should be. Rheo went on to state that the Board of Finance had no statutory authority to tell the Board of Education where to cut, only authority over the bottom line.

Penny moved and Margaret seconded to reduce the HES budget by an additional \$83,000 to result in a zero mil rate increase; motion passed unanimously.

Al will ask Superintendent Graseck how long he anticipates the BoE will need to make the cuts, then he will schedule another town meeting and referendum. Paul asked how much a referendum cost; the response was about \$1,200.

Set the Mil Rate: After questions about whether the mil rate could be set without an approved school budget, there was discussion whether the BoF should do so. It was pointed out that the healthy fund balance would only last so long and the town's and school's bills still have to be paid without a revenue stream. In addition, Rheo pointed out that the BoF would have to approve all town and school expenditures if a mil rate were not set. If the mil rate is set, but the school budget fails and must be cut further, then the town will collect more money than it needs to finance the overall budget. Margaret and Stan pointed out that the lack of a mil rate and therefore tax bills puts prospective businesses and townspeople who are trying to sell their houses in limbo.

Stan moved and Penny seconded to set the 2013-14 mil rate at 24.8; motion passed unanimously.

Adjourn: Meeting was adjourned at 8:45pm.

Respectfully submitted,
Kathi Newcombe,
BoF Recording Clerk