

Town of Hampton
Board of Finance
Public Hearing
Thursday, May 2, 2013
7:00pm
Hampton Community Center

Minutes

Call to Order: The public hearing was called to order at 7:07pm by Board of Finance Chair Rheo Brouillard.

Members present: Rheo Brouillard, Margaret Haraghey, Penny Newbury, Luciann Norton, Paul Wakely.
Alternates present: Jeff Clermont, Dan Meade.

Members/alternates absent: Stan Crawford.

Others present: Selectmen Al Cahill, Bob Grindle, & Mike Chapel, Treasurer Ellen Rodriguez, HES Superintendent Paul Graseck, HES Business Coordinator Sally Lehoux, HES Board of Education members Catherine Wade, Ann Gruenberg, & John Burnham, & Recording Clerk Kathi Newcombe, as well as several audience members.

Presentation of proposed 2013-14 Budget and Public Input: Board of Finance members introduced themselves. Chair Rheo Brouillard gave an overview of the present appointed Board of Finance and what it has accomplished over the last ten months:

- Met with the town's auditor, once to get an idea of responsibilities of a Board of Finance, mostly geared around financial controls, and again to review the financial statements;
- Requested presentations from various departments and boards/commissions to review how their procedures satisfy internal financial controls;
- Produced the 2011-12 Annual Report, copies of which are available at Town Hall and will be posted on the town's website;
- Formed a subcommittee to look at job descriptions, with an eye toward consistency in salary compensations in order to reduce risk of the town being accused of being arbitrary in job expectations and salary; this turned out to be a somewhat controversial item;
- Submitted monthly columns to the *Hampton Gazette* in an attempt to keep citizens informed.

Chair Brouillard stated that the Board was making every effort to be as transparent as possible and was seeking input from the public.

He then gave a Powerpoint presentation displaying revenue and expenses of the town since the 2011-12 fiscal year, showing each year's shortfall and how it was taken from the general fund. He then displayed more detailed information concerning the RD11, HES and general government budgets. He showed that because of increased census at Parish Hill, Hampton's portion of the RD11 budget is increasing by \$173,139, representing 1.25 mils. The General Government budget was lower than last year's and was further reduced, and the Elementary School's budget, originally a 1.82% increase, had been reduced to a zero percent increase by the BoF. He showed how the general fund level has changed over the last several years. He explained the Board's recommendation to account for the shortfall between the anticipated revenue and expenses in the 2013-14 budget by raising the mil rate by .8 rather than to continue to take money from the general fund, especially given the volatility of revenue from the State and the overall State economy, in order to preserve as much of the fund balance as possible against future liabilities.

David Fowler asked about the revenue from the State and if it could change. Chair Brouillard responded that all figures shown assumed that the State budget would come in as the town was told to expect; the State is already expecting a significant deficit in the upcoming budget. It is believed that the proposal to eliminate the car tax was dead, else the hit to Hampton would be another \$360,000.

Randy Thompson asked what figure was the percentage of fund balance. The response was the percentages represent the fund balance as a percentage of the annual expenses, and added that the auditor credits Hampton for a strong and healthy balance.

Dayna Arriola asked where the Board of Education had cut their budget. Superintendent Graseck presented a handout showing the cuts and the line items from which they had come.

Chair Brouillard presented more slides showing the history of HES budgets over several years, then on RD11 budgets over several years, showing the level of the RD11 general fund balance.

Wesley Wilcox asked about the changes in the reserve fund balance. Chair Brouillard explained the changes over the last few years, as greater-than-expected revenues added to the balance while shortfalls in the last two budgets, along with the purchase of land subtracted from the balance. BoF alternate Dan Meade responded that the auditors recommend small towns keep their fund balance at a higher level because of their vulnerability to variations in State funding, with local opportunities for revenue limited.

Catherine Wade asked about the rule on the RD11 budget vote, and if it had to pass in all three towns. The response was that it was a cumulative vote from all three towns, and the total yes and no votes would determine the outcome.

Chair Brouillard went on to praise the hard work of the appointed Board of Finance members.

Dayna Arriola asked about the process at the town meeting. Chair Brouillard stated that he will give the same presentation at the Annual Town Meeting and then allow the Board of Selectmen and Board of Education to present their budgets.

Adjourn: Meeting was adjourned at 7:39pm.

Respectfully submitted,
Kathi Newcombe,
BoF Recording Clerk