

**Board of Finance  
Regular Meetings**

**January 22, 2013**  
(Tuesday)

**February 19, 2013**  
(Tuesday)

**March 18, 2013**

**April 15, 2013**

**May 20, 2013**  
7:30

**June 17, 2013**  
7:30

**July 15, 2013**  
7:30

**August 19, 2013**  
7:30

**September 16, 2013**

**October 21, 2013**

**November 18, 2013**

**December 16, 2013**

**TOWN OF EAST HAMPTON  
EAST HAMPTON, CT 06424**

**BOARD OF FINANCE**  
**Regular Meeting - REVISED**  
Monday, December 16, 2013  
**7:00 PM**

**Location: Town Hall Meeting Room**

1. Call to Order
2. Pledge of Allegiance
3. Approval of Minutes of Meeting(s) \*
  - a) November 18, 2013 –Regular meeting
  - b) November 19, 2013 – Special meeting
  - c) December 3, 2013 – Special meeting
4. Public Remarks
5. Financial Transactions
6. Correspondence
7. Special presentations
8. Status Reports (Financial)
9. Continued Business
  - a) High School Renovation project update
  - b) Capital Policy \*
  - c) Fines/Penalties
10. New Business
  - a) FY 2014-2015 Budget
  - b) Public Safety Special Revenue Fund
  - a) **Liaison Appointments by Chairman \***
11. Liaison's Reports
  - a) Town Council
  - b) Board of Education
  - c) WPCA
  - d) Economic Development Commission
  - e) Lake / Conservation
  - f) Fire Commissioners
  - g) Brownfields/Redevelopment
  - h) Park & Rec. Advisory Board
12. Public Remarks
13. Town Manager's Report
14. Adjournment

\* - Potential action item



12/12/2013 08:39  
jjylkka

TOWN OF EAST HAMPTON  
YEAR-TO-DATE BUDGET REPORT

PG 1  
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FOR 2014 13

	ORIGINAL ESTIM REV	ESTIM REV ADJUSTMTS	REVISED EST REV	ACTUAL YTD REVENUE	REMAINING REVENUE	PCT COLL
01 GENERAL FUND						
40 Property taxes	-30,223,054	0	-30,223,054	-16,560,730.78	-13,662,323.22	54.8%
41 Investment income	-32,000	0	-32,000	-6,495.36	-25,504.64	20.3%
42 License, permit & FEES	-382,980	0	-382,980	-253,621.74	-129,358.26	66.2%
44 STATE & LOCAL GRANTS	-8,492,254	0	-8,492,254	-2,367,965.24	-6,124,288.76	27.9%
45 Local gov. payments	-11,800	0	-11,800	-11.88	-11,788.12	1%
46 Charges for services	-16,000	0	-16,000	-8,867.85	-7,132.15	55.4%
47 Other revenue	-79,887	0	-79,887	-31,110.39	-48,776.61	38.9%
49 Other Fin. sources	0	-260,000	-260,000	.00	-260,000.00	.0%
TOTAL GENERAL FUND	-39,237,975	-260,000	-39,497,975	-19,228,803.24	-20,269,171.76	48.7%
GRAND TOTAL	-39,237,975	-260,000	-39,497,975	-19,228,803.24	-20,269,171.76	48.7%

\*\* END OF REPORT - Generated by Jeff Jylkka \*\*

AGENDA  
ITEM # 8a



12/10/2013 10:31  
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TOWN OF EAST HAMPTON  
YEAR-TO-DATE BUDGET REPORT

PG 1  
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FOR 2014 13

	ORIGINAL APPROP	TRANFRS/ ADJUSTMTS	REVISED BUDGET	YTD EXPENDED	ENC/REQ	AVAILABLE BUDGET	PCT USED
01 GENERAL FUND							
01010000 Town Manager's Department	319,684	0	319,684	132,343.79	11,450.00	175,890.21	45.0%
01020000 Town Council/Special Progr	24,957	0	24,957	13,614.85	.00	11,342.15	54.6%
01030000 Facilities Administrator	96,963	0	96,963	75,314.02	.00	96,648.98	.3%
01040000 LEGAL FEES	150,000	0	150,000	75,974.45	.00	74,025.55	50.6%
01050000 Town Hall/Annex	266,717	0	266,717	116,061.41	35,759.90	114,895.69	56.9%
01060135 Finance and Accounting	416,805	0	416,805	186,821.90	7,574.00	222,409.10	46.5%
01060136 Collector of Revenue	161,690	0	161,690	67,102.99	1,610.40	92,976.61	42.5%
01060137 Assessor	177,801	0	177,801	69,326.37	4,762.56	103,712.07	41.7%
01060138 Board of Assessment Appeal	1,282	0	1,282	65.00	.00	1,217.00	5.1%
01070000 Town Clerk	175,663	0	175,663	69,792.85	19,341.19	86,528.96	50.7%
01080000 Registrars/Elections	44,633	0	44,633	16,485.29	.00	28,147.71	36.9%
01090000 General Insurance	282,300	0	282,300	215,246.00	.00	67,054.00	76.2%
01100000 Probate Court	13,957	0	13,957	6,978.50	.00	6,978.50	50.0%
01110000 Employee Benefits	1,467,820	0	1,467,820	362,371.68	.00	1,105,448.32	24.7%
01120000 Contingency	65,000	0	65,000	.00	.00	65,000.00	.0%
01150000 Information Technology	72,402	0	72,402	40,478.59	.00	31,923.41	55.9%
01210211 Police Administration	285,521	0	285,521	109,010.90	11,853.06	164,657.04	42.3%
01210212 Regular Patrol	1,343,333	0	1,343,333	478,279.56	3,930.83	861,122.61	35.9%
01210213 Lake Patrol	3,706	0	3,706	2,565.46	47.29	1,093.25	70.5%
01210214 Animal Control	39,556	0	39,556	20,208.89	.00	19,347.11	51.1%
01220221 Firefighting	277,818	0	277,818	83,910.22	16,861.27	177,046.51	36.3%
01220223 Fire Marshal	46,455	0	46,455	18,782.49	.00	27,672.51	40.4%
01220225 Town Center Fire System	14,150	0	14,150	1,700.36	.00	12,449.64	12.0%
01230000 Ambulance	6,910	0	6,910	1,119.13	.00	5,790.87	16.2%
01240000 Civil Preparedness	16,200	0	16,200	1,469.30	.00	14,730.70	9.1%
01250000 Communications	121,158	0	121,158	30,521.95	89,645.25	990.80	99.2%
01260000 Street Lighting	59,000	0	59,000	18,285.86	.00	40,714.14	31.0%
01310000 Health Department	110,407	0	110,407	55,203.50	55,203.50	.00	100.0%
01320000 Human Services	110,993	0	110,993	44,253.72	280.00	66,459.28	40.1%
01330000 Senior Center	108,244	0	108,244	37,297.22	4,057.00	66,889.78	38.2%
01340000 Transportation	54,100	0	54,100	26,300.00	26,300.00	1,500.00	97.2%
01350000 Community Services	4,500	0	4,500	4,650.00	.00	-150.00	103.3%
01360000 CEMETERY CARE	5,000	0	5,000	4,315.51	.00	684.49	86.3%
01400000 Building, Planning & Zoning	332,218	0	332,218	139,170.85	.00	193,047.15	41.9%
01420000 Econ. Development Commissi	10,827	0	10,827	2,138.54	.00	8,688.46	19.8%
01430000 Conservation & Lake Commis	20,682	0	20,682	699.02	.00	19,982.98	3.4%
01460000 Redevelopment Agency	3,167	0	3,167	199.53	.00	2,967.47	6.3%
01470000 Middle Haddam Historic Dis	1,770	0	1,770	321.30	.00	1,448.70	18.2%
01510000 Public Works Admin.	1,265,670	0	1,265,670	385,903.99	5,198.19	874,567.82	30.9%
01520000 Engineering	60,000	0	60,000	6,151.23	.00	53,848.77	10.3%



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TOWN OF EAST HAMPTON  
YEAR-TO-DATE BUDGET REPORT

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FOR 2014 13

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENC/REQ	AVAILABLE BUDGET	PCT USED
01530000 Town Garage	59,731	0	59,731	13,681.26	4,320.00	41,729.74	30.1%
01540000 Townwide Motor Fuel	187,880	0	187,880	31,681.10	145,000.00	11,198.90	94.0%
01550000 Road Materials	325,500	0	325,500	58,762.87	142,597.03	124,140.10	61.9%
01560000 Transfer Station	134,823	0	134,823	47,817.83	.00	87,005.17	35.5%
01570000 Septage Disposal	2,400	0	2,400	2,232.00	.00	168.00	93.0%
01610610 Park & Recreation	371,516	0	371,516	160,163.19	3,726.66	207,626.15	44.1%
01660000 Arts & Cultural Commission	2,350	0	2,350	224.14	.00	2,125.86	9.5%
01670000 Community Center	158,637	0	158,637	51,384.65	1,496.19	105,756.16	33.3%
01680681 E Hampton Public Library	433,023	0	433,023	147,786.36	2,805.00	282,431.64	34.8%
01680682 Middle Haddam Library	20,000	0	20,000	20,000.00	.00	0.00	100.0%
01710711 General Obligation Bonds-P	510,000	0	510,000	285,000.00	.00	225,000.00	55.9%
01710712 School Bonds-Prin	325,000	0	325,000	325,000.00	.00	.00	100.0%
01720721 General Obligation Bonds-I	223,657	0	223,657	85,984.39	.00	137,672.61	38.4%
01720722 School Bonds-Int	43,620	0	43,620	13,060.00	.00	30,560.00	29.9%
01810000 Operating Transfers Out	869,916	260,000	1,129,916	.00	.00	1,129,916.00	.0%
TOTAL GENERAL FUND	11,707,112	260,000	11,967,112	4,088,214.01	593,819.32	7,285,078.67	39.1%
GRAND TOTAL	11,707,112	260,000	11,967,112	4,088,214.01	593,819.32	7,285,078.67	39.1%

\*\* END OF REPORT - Generated by Jeff Jylkka \*\*



**Quarterly Report, East Hampton High School Renovation**  
State Project No. 042-0041 EA/RR  
Period Ending September 30, 2013

To: Town Council

From: Building committee

Re: EHHS Quarterly Report No. 2

Dear Chair and Members,

**July:**

After the successful submission of the EDO49 grant application on June 26, 2013, the Building Committee and project team began focusing on scheduling and preparing for a public informational session. As a result, there was only one building committee meeting held in July in which, at the suggestion of CREC, the Building Committee approved moving geotechnical and survey services from other professional fees into the architect's budget thereby putting those services under the architects management/responsibility. The reason for this is the ability for the architect to better coordinate these services. CREC also sought and received approval from the Building Committee to procure commissioning services. This was required in anticipation of receiving approval to start design. The project team will have to attend a PREP meeting at the State's Office of School Facilities in which the district will have to have the commissioning agent procured beforehand. The commissioning agent is a requirement of meeting Connecticut High Performance Building Standards.

**August:**

The public informational session was conducted as well as another Building Committee meeting. As a result of the information presented at the public informational session by the project team, the building committee approved the project team to begin the design process. CREC reported that the procurement of the commissioning agent was moving forward and that the commissioning agent sub-committee would be presenting their recommendation for award at the September Building Committee meeting. The Board of Education requested of the architect a schedule of meetings required in order for the Board of Education to prepare those participants required to attend.

**September:**

At the September Building Committee meeting the architect presented their proposed schematic design schedule including meetings where Board of Education/High School staff was required to attend. The Building Committee was in agreement with the schedule and as a result schematic design is now scheduled to be complete on December 5, 2013. In addition, both the architect and CREC presented their respective service amendments. The Building Committee approved both amendments as well as the commissioning sub-committees recommendation of Horizon Engineering Associates, LLP for commissioning services. Please see the attached project budget for the month ending September 30, 2013.

**Budget:**

Please see attached the Project budget month ending September 30, 2013.



# EAST HAMPTON HIGH SCHOOL RENOVATION

15 North Maple Street

East Hampton, CT

STATE PROJECT #042-0041 EA/RR

Month Ending September 30, 2013



Ref	Project Budget	Budget	Budget Adjustments	Revised Budget	Paid-to-Date	To be Paid	Variance from Revised Budget
		a	b	c	d	e	c-(d+e)
1	Architectural Design - SLAM	\$ 2,691,000	\$ (101,000)	\$ 2,590,000		\$ 2,590,000	\$ -
2	Other Professional Fees						
2a	Project Management (CREC)	\$ 1,750,000	\$ (255,032)	\$ 1,494,968		\$ 1,494,968	\$ -
2b	Plan Approval Fees	\$ 15,000	-	\$ 15,000		\$ 15,000	\$ -
2c	Special Inspections	\$ 25,000	-	\$ 25,000		\$ 25,000	\$ -
2d	Legal Fees	\$ 50,000	-	\$ 50,000		\$ 50,000	\$ -
2e	Peer Review Consultant	\$ 15,000	-	\$ 15,000		\$ 15,000	\$ -
2f	Redicheck	\$ 40,000	-	\$ 40,000		\$ 40,000	\$ -
2g	Advertising / Legal Notices	\$ 10,000	-	\$ 10,000		\$ 10,000	\$ -
2h	Bid Document Reproduction	\$ 25,000	-	\$ 25,000		\$ 25,000	\$ -
2i	Geotechnical Services	\$ 25,000	\$ (25,000)	\$ -		\$ -	\$ -
2j	Land Survey	\$ 15,000	\$ (15,000)	\$ -		\$ -	\$ -
2k	Environmental Consultant	\$ 125,000	\$ (50,000)	\$ 75,000		\$ 75,000	\$ -
2l	Testing / Inspections	\$ 50,000	-	\$ 50,000		\$ 50,000	\$ -
2m	Commissioning	\$ 15,000	\$ (38,600)	\$ 86,400		\$ 86,400	\$ -
2n	Municipal / Admin Fees	\$ 15,000	-	\$ 15,000		\$ 15,000	\$ -
2o	Financial / Auditing	\$ 50,000	-	\$ 50,000		\$ 50,000	\$ -
2p	Bond Origination Fees	\$ 50,000	-	\$ 50,000		\$ 50,000	\$ -
2q	Bond Interest Fees	\$ 380,000	-	\$ 380,000		\$ 380,000	\$ -
2r	Insurance/Builders Risk	\$ 125,000	-	\$ 125,000		\$ 125,000	\$ -
2s	Pre Construction Fees	\$ 58,520	-	\$ 58,520		\$ 58,520	\$ -
2t	Pre Referendum Fees	\$ 16,200	-	\$ 16,200		\$ 16,200	\$ -
2u	Other Professional Fees	\$ 25,000	-	\$ 25,000		\$ 25,000	\$ -
2v	Move Management Costs	\$ 125,000	-	\$ 125,000		\$ 125,000	\$ -
2	Other Professional Fees	\$ 3,114,720	\$ (383,632)	\$ 2,731,088	\$ -	\$ 2,731,088	\$ -
3	Construction Manager GMP - Downes	\$ 41,400,000	-	\$ 41,400,000		\$ 41,400,000	\$ -
4	Furniture, Fixtures, and Equipment	\$ 2,026,500	-	\$ 2,026,500		\$ 2,026,500	\$ -
5	Owner Contingency	\$ 2,461,611	\$ 484,632	\$ 2,946,243		\$ 2,946,243	\$ -
	Totals	\$ 51,693,831	\$ -	\$ 51,693,831	\$ -	\$ 51,693,831	\$ -

Contingency Impact from Budget Adjustments \$ 484,632

Ref	Company	Type	Amount	Status	Notes
	Architectural Design - SLAM	Budget	\$ 2,691,000	Approved	Survey to Arch.
	Architectural Design - SLAM	Budget Adjustments	\$ 15,000	Approved	Geo-Tech to Arch
	Architectural Design - SLAM	Budget Adjustments	\$ 25,000	Approved	PCB's to Arch
	Architectural Design - SLAM	Budget Adjustments	\$ 50,000	Approved	Arch Proposed Fee
1	Architectural Design - SLAM Total	Budget Adjustments	\$ (191,000)		
			\$ 2,590,000		

<u>Ref</u>	<u>Company</u>	<u>Type</u>	<u>Amount</u>	<u>Status</u>	<u>Notes</u>
<b>2a</b>	<i>Project Management (CREC)</i> <i>Project Management (CREC)</i> <b>Project Management (CREC) Total</b>	Budget	\$ 1,750,000	Approved	Proposed Fee
		Budget Adjustments	\$ (255,032)		
			<u>\$ 1,494,968</u>		
<b>2b</b>	<i>Plan Approval Fees</i> <i>Plan Approval Fees</i> <b>Plan Approval Fees Total</b>	Budget	\$ 15,000		
		Budget Adjustments	<u>\$ 15,000</u>		
<b>2c</b>	<i>Special Inspections</i> <i>Special Inspections</i> <b>Special Inspections Total</b>	Budget	\$ 25,000		
		Budget Adjustments	<u>\$ 25,000</u>		
<b>2d</b>	<i>Peer Review Consultant</i> <i>Peer Review Consultant</i> <b>Peer Review Consultant Total</b>	Budget	\$ 15,000		
		Budget Adjustments	<u>\$ 15,000</u>		
<b>2f</b>	<i>Legal Fees</i> <i>Legal Fees</i> <b>Legal Fees Total</b>	Budget	\$ 50,000		
		Budget Adjustments	<u>\$ 50,000</u>		
<b>2f</b>	<i>Redicheck</i> <i>Redicheck</i> <b>Redicheck Total</b>	Budget	\$ 40,000		
		Budget Adjustments	<u>\$ 40,000</u>		
<b>2g</b>	<i>Advertising / Legal Notices</i> <i>Advertising / Legal Notices</i> <b>Advertising / Legal Notices Total</b>	Budget	\$ 10,000		
		Budget Adjustments	<u>\$ 10,000</u>		
<b>2h</b>	<i>Bid Document Reproduction</i> <i>Bid Document Reproduction</i> <b>Bid Document Reproduction Total</b>	Budget	\$ 25,000		
		Budget Adjustments	<u>\$ 25,000</u>		
<b>2i</b>	<i>Geotechnical Services</i> <i>Geotechnical Services</i> <b>Geotechnical Services Total</b>	Budget	\$ 25,000	Approved	Moved to Arch
		Budget Adjustments	\$ (25,000)		
			<u>\$ -</u>		
<b>2j</b>	<i>Land Survey</i> <i>Land Survey</i> <b>Land Survey Total</b>	Budget	\$ 15,000	Approved	Moved to Arch
		Budget Adjustments	\$ (15,000)		
			<u>\$ -</u>		
<b>2k</b>	<i>Environmental Consultant</i> <i>Environmental Consultant</i> <b>Environmental Consultant Total</b>	Budget	\$ 125,000	Approved	Moved to Arch
		Budget Adjustments	\$ (50,000)		
			<u>\$ 75,000</u>		
<b>2l</b>	<i>Testing / Inspections</i> <i>Testing / Inspections</i> <b>Testing / Inspections Total</b>	Budget	\$ 50,000		
		Budget Adjustments	<u>\$ 50,000</u>		
<b>2m</b>	<i>Commissioning</i> <i>Commissioning</i> <b>Commissioning Total</b>	Budget	\$ 125,000	Approved	Proposed Fee
		Budget Adjustments	\$ (38,600)		
			<u>\$ 86,400</u>		

<u>Ref</u>	<u>Company</u>	<u>Type</u>	<u>Amount</u>	<u>Status</u>	<u>Notes</u>
	<i>Municipal / Admin Fees</i>	Budget	\$ 15,000		
	<i>Municipal / Admin Fees</i>	Budget Adjustments			
<b>2n</b>	<b>Municipal / Admin Fees Total</b>		<b>\$ 15,000</b>		
	<i>Financial / Auditing</i>	Budget	\$ 50,000		
	<i>Financial / Auditing</i>	Budget Adjustments			
<b>2o</b>	<b>Financial / Auditing Total</b>		<b>\$ 50,000</b>		
	<i>Bond Origination Fees</i>	Budget	\$ 50,000		
	<i>Bond Origination Fees</i>	Budget Adjustments			
<b>2p</b>	<b>Bond Origination Fees Total</b>		<b>\$ 50,000</b>		
	<i>Bond Interest Fees</i>	Budget	\$ 380,000		
	<i>Bond Interest Fees</i>	Budget Adjustments			
<b>2q</b>	<b>Bond Interest Fees Total</b>		<b>\$ 380,000</b>		
	<i>Insurance/Builders Risk</i>	Budget	\$ 125,000		
	<i>Insurance/Builders Risk</i>	Budget Adjustments			
<b>2r</b>	<b>Insurance/Builders Risk Total</b>		<b>\$ 125,000</b>		
	<i>Pre Construction Fees</i>	Budget	\$ 58,520		
	<i>Pre Construction Fees</i>	Budget Adjustments			
<b>2s</b>	<b>Pre Construction Fees Total</b>		<b>\$ 58,520</b>		
	<i>Pre Referendum Fees</i>	Budget	\$ 16,200		
	<i>Pre Referendum Fees</i>	Budget Adjustments			
<b>2t</b>	<b>Pre Referendum Fees Total</b>		<b>\$ 16,200</b>		
	<i>Other Professional Fees</i>	Budget	\$ 25,000		
	<i>Other Professional Fees</i>	Budget Adjustments			
<b>2u</b>	<b>Other Professional Fees Total</b>		<b>\$ 25,000</b>		
	<i>Move Management Costs</i>	Budget	\$ 125,000		
	<i>Move Management Costs</i>	Budget Adjustments			
<b>2v</b>	<b>Move Management Costs Total</b>		<b>\$ 125,000</b>		
	Construction Manager GMP - Downes	Budget	\$ 41,400,000		
	Construction Manager GMP - Downes	Budget Adjustments			
<b>3</b>	<b>Construction Manager GMP - Downes Total</b>		<b>\$ 41,400,000</b>		
	Furniture, Fixtures, and Equipment	Budget	\$ 2,026,500		
	Furniture, Fixtures, and Equipment	Budget Adjustments			
<b>4</b>	<b>Furniture, Fixtures, and Equipment Total</b>		<b>\$ 2,026,500</b>		
	Owner Contingency	Budget	\$ 2,461,611		
	Owner Contingency	Budget Adjustments			
	Owner Contingency	Budget Adjustments	\$ 191,000	Approved	Adjusted Budget/Contract Amount
	Owner Contingency	Budget Adjustments	\$ 255,032	Approved	Adjusted Budget/Contract Amount
	Owner Contingency	Budget Adjustments	\$ 38,600	Approved	Adjusted Budget/Contract Amount
<b>5</b>	<b>Owner Contingency Total</b>		<b>\$ 2,946,243</b>		



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AGENDA  
ITEM # 96

## Purpose

In recognition that buildings, infrastructure, and major equipment are the physical foundation for providing services to the residents of the Town of EAST HAMPTON, a multi-year Capital Improvement Program (CIP) is prepared and reviewed annually. The purpose of the CIP is to budget for the acquisition, replacement or renovation of major capital/fixed assets. These items are generally not of a recurring nature and not included in the regular operating budget process. Careful planning during this process is critical to the procurement, construction, and maintenance of capital assets to meet the needs and activities of the Town. The General Fund, through the annual operating budget, is the primary funding source for the CIP and therefore plays an integral role in the development of the program. Proper planning and funding will mitigate budget fluctuations year over year.

A comprehensive capital plan will help ensure the future financial discipline and funding stability of the Town and systematically provide efficient delivery of public services to citizens and businesses.

Capital/Fixed Assets are categorized as follows:

- Land
- Land Improvements
- Buildings and Improvements
- Machinery and Equipment
- Infrastructure

The following Capital/Fixed Asset items are to be included in the Town's annual operating budget:

- Fixed assets that cost less than \$10,000
- Fixed assets that are of a recurring nature and acquired each year

## Definitions

1. The **Capital improvement program** is defined as a plan for capital expenditures over a multi-year period to meet identified improvements in the infrastructure.
2. The **Capital Budget** is the first year of a five year plan for capital expenditures to be incurred over a given fiscal year from funds appropriated through the annual budget process for projects scheduled in the same year.
3. **Capital Equipment** is defined as any item that has an expected life of five (5) years or more and a purchase price in excess of \$1,000. Items costing less than \$1,000 and lasting less than five (5) years are to be purchased from material and supply accounts. The purchase price includes any costs of acquisition or transportation of the item or other costs associated with the installation or placing it into service. The expected life for a piece of equipment is that period of time for which it will be useful in carrying out operations without major repair to its physical condition. Generally, capital equipment includes, but is not limited to, furniture and fixtures, machinery and motor vehicles.
4. **Capital Projects** are the improvements that make up the capital budget. Each project has a specific purpose, justification and cost. Projects propose physical improvements in different elements of the Town's infrastructure. Improvements include but are not limited to: construction, reconstruction, rehabilitation, modification, renovation, expansion, replacement, extension of streets, bridges, buildings, sidewalks, playgrounds, lights and acquisition of land, buildings with associated relocation, demolition and improvements such as landscaping, fencing and paving.

## Criteria

The following Capital/Fixed Asset items are to be included for consideration in the Town's Capital Improvement Program (CIP):

- The acquisition of and improvements to assets that cost \$10,000 or more and,
- The Capital/Fixed Assets, or improvements, that have an anticipated life expectancy of five years or more. Most non-recurring major expenditures are the result of the Town's acquisition of capital items that form the physical foundation for municipal services such as land, buildings, infrastructure improvements, machinery and equipment. However, there can be major expenditures for non-capital items that can be anticipated on a recurring and periodic basis and require significant funding. In addition to the above items, the following proposed expenditures may be considered in the CIP, although they may not constitute capital/fixed assets with useful lives of five years or more.
- Property revaluation required by the Connecticut General Statutes
- Technology programs and systems
- Sinking fund contributions for debt
- Sinking fund contributions for repairs to major fixed assets

These items and other similar items that may require significant funding of \$10,000 or more, and are not anticipated to be acquired each year, may be appropriate to be included in the CIP process.

The annual road paving program can be anticipated on a recurring basis; however, it requires funding of significantly more than \$10,000 and should be included in the CIP process.

This CIP provides for a five-year plan of acquisition, renovation, replacement and construction of the items included in the capital budget and includes a planning, budgetary and financing process.

Assets in excess of \$10,000 not precluded from acquisition in the general fund or other special revenue fund.

## CAPITAL IMPROVEMENT COMMITTEE

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### *MEMBERSHIP*

The Capital Improvement Committee shall be composed of one member of the Town Council, one member of the Board of Finance, and one member of the Board of Education. Committee assignments shall be determined by the board chair. The Town Finance Director, Town Manager and Superintendent of Schools shall be ex-officio Committee staff members without the right to vote.

### *ROLES & RESPONSIBILITIES*

The Committee shall study proposed capital projects and improvements involving major non-recurring tangible assets and projects which: 1) are purchased or undertaken at intervals of not less than five years; 2) have a useful life of at least five years; and 3) cost over \$10,000. All town departments, boards and committees, including the Board of Education, shall, by December 1<sup>st</sup> of each year, give to the Town Manager who shall forward to the Committee information concerning all anticipated projects requiring action during the ensuing five years. The Committee shall consider the relative need, impact, timing and cost of these expenditures and the effect each will have on the financial position of the town. No appropriation shall be voted for a capital improvement requested by a department, board or commission unless the proposed capital improvement is considered by the Committee.

The Committee shall prepare an annual report recommending a Capital Improvement Budget for the next fiscal year, and a Capital Improvement Program including recommended capital improvements for the following four fiscal years.



The report shall be submitted to the Board of Finance for its consideration and recommendation. The Board of Finance shall submit its recommended Capital Budget to the Town Council for approval (see Exhibit A).

Such Capital Improvement Program, after its adoption, shall permit the expenditure on projects included therein of sums from departmental budgets for surveys, architectural or engineering advice, options or appraisals; but no such expenditure shall be incurred on projects which have not been so approved by the town through the appropriation of funds in the current year or in prior years, or for preliminary planning for projects to be undertaken more than five years in the future.

The Committee's report and the Town Council's recommended Capital Budget shall be published and made available in a manner consistent with the distribution of the annual Town budget report. The Committee shall deposit its original report with the Town Clerk.

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#### CAPITAL IMPROVEMENT PROGRAM TIMING/SCHEDULE

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As part of the annual budget process, the CIP will be prepared, presented and acted upon in accordance with the following schedule:

<u>No later than December 15</u>	<u>Department, board or agency shall submit a proposed five year CIP to the Town Manager</u>
No later than January 10	Town Manager shall provide a five year planning document to the Capital Improvement Committee summarizing department proposals for capital improvements, a recommendation of items to be included in the CIP, project priorities for the following fiscal year and proposed method/sources of funding for all recommended projects.
On or about February 1	The Capital Improvement Committee shall receive, review and recommend the 5 year CIP. The plan will then be forwarded to the Board of Finance
On or about March 1 <sup>st</sup>	Board of Finance shall recommend CIP to Town Council
No later than March 27	Town Council adopts the CIP for the following fiscal year
Quarterly CIP meetings	The Capital Improvement Planning Committee shall meet at least quarterly to review and discuss current and proposed capital projects.

The Town Manager will provide the Town Council periodic CIP status reports throughout the year and present detailed project status reports or design plans on an as needed basis in accordance with the applicable project schedule.

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#### IDENTIFICATION OF NEEDS

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Capital Improvement items are considered on the basis of need and value to the community. Annually, each department, board or agency shall submit a proposed five year CIP to the Town Manager in accordance with the CIP schedule. Requested items shall include acquisition of capital assets, new construction, major renovations and improvements to municipal facilities, purchase of machinery and equipment and other items that satisfy the CIP criteria. Capital improvement proposals received outside of the formal CIP process from departments, citizens,

agencies or organizations shall be forwarded to the Town Manager for review and recommendation to the Capital Improvement Committee, Board of Education, Board of Finance and Town Council as applicable.

Items that are to be included in the Capital Improvement Program include the following with an estimated cost of \$10,000 or more and have a useful life of not less than five years:

- Purchase of Land and Development Rights
- Construction of New Buildings
- Land and Building Improvements and Renovations
- Machinery and Equipment
- Infrastructure Improvements (streets, sewers, sidewalks, etc.)
- Vehicles and Construction equipment
- Feasibility Analysis/Design/Cost estimates and other professional services relative to anticipated major projects
- In addition to the above items, the CIP may include certain recurring expenditures/projects that due to their nature and anticipated cost are best appropriated through the CIP (e.g. revaluation or major software acquisition)

All Capital Projects under consideration must be submitted on forms provided by the Finance Department and include the following detail and descriptive information:

- 1) PROJECT TITLE: Enter the title best describing the project. Be concise, but as descriptive as possible.
- 2) SUBMITTED BY: Enter the Department, and division, if applicable.
- 3) CONTACT PERSON: Enter the name and telephone number of the person who can best answer detailed questions about this project.
- 4) PROJECT DESCRIPTION: Give a full, detailed description of the project. The description must contain enough information to allow for a detailed project cost estimate. If the project is construction of a building, specify the following: size; use; type of building; utility type; etc. If it is a street project, specify the following: length; width; whether it is new construction, reconstruction or resurfacing; whether it involves new signals, sewers, and/or sidewalks; etc. Photos and other documentation should also be submitted if they provide relevant information. Any project with insufficient information to develop a cost estimate will not be considered.
- 5) PROJECT JUSTIFICATION: Support the need for this project. Some of the questions you might want to consider below:
  - Does the project meet established standards, ~~and/or~~ codes or mandates?
  - Does the project address a Town Council policy initiative or Board of Education goal?
  - Does it address a health, fire, ~~or~~ safety or security concern?
  - Does it serve a segment of the community not currently served?
  - Does it foster private investment? How much?
  - Does it create jobs? How many? What type?
  - Does it support economic development (i.e. tourism)?
  - Does the project require additional staffing or operational increases?
  - Does the project create any revenue?
  - ~~Does it meet or address a federal or state mandate?~~
  - What will happen if the Town does not undertake this project?
  - Use the above and the Capital Allocation Checklist as a guide in submitting justifications.
- 6) PROJECT LOCATION AND SERVICE AREA: Give a brief description of the community impact the project will have as well as the area it will serve.
- 7) SIGNATURE: The Department Director must sign the bottom of the form and date it. The signature indicates that the director approves of the submission of the project and agrees with the information provided.



## Estimated Costs

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Costs shall be estimated for all items requested as part of the five-year Capital Improvement Program. Costs for items requested in years two through five shall anticipate an escalation rate to be determined by the Town Manager and Finance Director at the beginning of the CIP process.

The steps for **major** capital projects in the CIP, those estimated to exceed \$250,000, may be required by the Town Manager and will generally include the following:

- A. Evaluation/feasibility phase, as necessary
- B. Preliminary design and cost estimating phase
- C. Final Design and construction

Subject to the specifics of the project, funding for steps A and B may be combined in the initial request. Cost estimates should include preliminary design fees, final design fees, architectural fees, construction management fees, construction costs, acquisition costs, contingency, escalation, legal and financing fees, including short term interest, and any other costs applicable to the project. The scope and estimated costs of in kind services shall be identified and presented along with the initial cost estimates for the project.

## Funding

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The Town Council, as part of the annual operating and capital budget process, will review the capital equipment and capital projects included in the CIP as recommended by the Board of Finance. The Town Manager and Finance Director will develop a recommended financing plan, with options, based on total project costs, cash flow, projected method(s) of financing the projects, Capital Reserve fund projections, mill rate and debt service impact on future operating budgets. The Town Council shall review these projections when developing project priorities and the recommended capital program for the following year. The goal is to effectively balance the total of the annual Capital Reserve Transfer and Debt Service requirements to minimize fluctuations in the mill rate in accordance with established guidelines set forth in this document.

An annual financing plan for the multi-year capital improvement plan is critical to the CIP process. Factors to be considered shall include:

- Anticipated revenue and expenditure trends and the relationship to multi-year financial plans
- Cash flow projections of the amount and timing of the capital improvement projects
- Compliance with all established financial policies
- Legal constraints imposed by Town charter or State statute
- Evaluation of various funding alternatives
- Reliability and stability of identified funding sources
- Evaluation of the affordability of the financing strategy, including debt ratios, future budgets and mill rate.

The Capital Improvement Program shall generally be funded as follows:

- A. Capital Reserve Fund –** The Town will use the Capital Reserve Fund as the primary funding source for capital projects to be funded on a pay as you go basis. The Capital Reserve Fund is primarily funded through an annual appropriation from the General Fund.

Based on factors referenced herein the Town Council shall consider as a general guideline a **minimum** annual appropriation and transfer to the Capital Reserve Fund in an amount equivalent to three percent (3%) of the current adopted operating budget rounded to the next highest \$5,000.

Annually the Board of Finance will review the General Fund unassigned fund balance, Capital Reserve unassigned fund balance and other funding requirements and may recommend a transfer of additional funds to the Capital Reserve Fund. The goal of the Town is to maintain an unassigned balance in the Capital Reserve Fund of an amount equivalent to \$1,000,000, except as needed to meet emergencies. The reserve policy will be reviewed annually and adjusted accordingly as part of the CIP process. Factors to be considered include evaluation of the projects in the multi- year plan, the method of financing and their effect on projected mill rates.

- B. Capital Initiatives Fund** – This fund is primarily used to account for the construction and acquisition of major capital assets. Bond proceeds are the major funding source for projects accounted for in the fund.
- C. Donations/Grants/Loans** – Anticipated contributions from various organizations or groups towards certain Capital Improvement projects, grants and loans will be used in financing the CIP to determine final estimated net cost to the Town.
- D. General Obligation Bonds** – Projects that are anticipated to have a significant expenditure of funds should be considered for referendum and funded through the issuance of general obligation bonds that shall be authorized and issued in accordance with Connecticut statutes and the Town of East Hampton Charter. Projects funded through the issuance of debt must be approved by the Board of Finance, Town Council and Town Meeting. The Town Council may elect to have a project voted on at referendum in lieu of a Town Meeting.

## AMENDING THE CAPITAL IMPROVEMENT PROGRAM

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### Revisions to Approved CIP Projects:

Periodically there will be changes made to the approved CIP Projects that will require extra funding. This could arise from unanticipated inflation, change from the original project description or bids that may push up the original cost estimate. These additional funding requests will be handled as follows:

- 1- The Department or authorized entity responsible for the Project makes an initial determination that additional funds are required for a specific purpose.
- 2- The Department Head submits a written request for additional funding to the Town Manager. This request will include the original Finance Department CIP request form and will include detailed cost differences in the original Project and the revised Project.
- 3- This additional funding can be approved by the Town Manager providing the additional costs do not exceed the greater of \$10,000 or 10% of the original Project cost.
- 4- Should the Project Cost increase be more than \$10,000 or 10% of the original Project cost then the Project must go back to the CIP Committee for their review and approval.

### Funding New and Emergency CIP Projects:

Periodically there will be projects that arise suddenly or on an emergency basis. These projects may be recommended by employees, citizens, and members of boards or commissions. ~~will follow the normal process as outlined in this policy.~~

- 1- The Department responsible for the project makes an initial determination that funds are required for a specific purpose.
- 2- The Department Head submits a written request for funds to the Town Manager. This written request is completed on the Finance Department's CIP Fund request form.
- 3- The Town Manager will make a recommendation to the CIP Committee. The Capital Improvement Committee will then make a recommendation that is forwarded to the Board of Finance.

4- The Town Manager will prepare a report and resolution for approval from the Board of Finance, Town Council, and Board of Education if needed. This report will be placed on the agenda of the next regular scheduled meeting of the Board of Finance and Town Council, and Board of Education if needed. Emergency meetings will be scheduled if necessary.

#### ACCOUNTING PROCEDURES

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After all of the projects have been approved by Town Council the Finance Department will begin the process of establishing accounts for the approved programs. All appropriations will be established based upon the approved project cost and prepared by using the line item criteria established by the cost estimate forms. In addition, the

Finance Department will be responsible for the following:

- 1) Maintaining grant agreements;
- 2) Maintaining audit records;
- 3) Receiving and recording revenues;
- 4) Distributing payments;
- 5) Reconciling the general ledger;
- 6) Reconciling bank statements and investments; and
- 7) Monitoring department performance.

The Department Director or Project Manager will be responsible for the following:

- 1) Creating monthly project status reports;
- 2) Creating and maintaining project timetables;
- 3) Explaining project changes and/or cost overruns;
- 4) Providing updates to the Town Council;
- 5) Presenting projects to committee and the Town Council;
- 6) Completing data detail for the Finance Department; and
- 7) Estimating costs and/or staffing requirements.



## Budget Calendar Fiscal Year 2014-2015

Date	Description
January 30, 2014 (Thur.)	Submit budget requests to Finance Department
February 06, 2014 (Thur.)	Submit budget narratives to Finance Department
February 25, 2014 (Tues.)	Press Release on Budget workshop
March 04, 2014 (Tues.)	Press Release on Budget deliberations
March 07, 2014 (Fri.)	1:00 PM to 4:00 PM - Budget workshop
March 07, 2014 (Fri.)	5:00 PM - Board of Education Budget Workshop
March 17, 2014 (Mon.)	Board of Finance special meeting – With invitation to Town Council and Board of Education (Review deliberations and gather input from public and other boards) Time: 7:30 Location: High School Library
March 24, 2014 (Mon.)	Board of Finance special meeting – Budget deliberations 7:00 PM Middle School Library
March 31, 2014 (Mon.)	Board of Finance public hearing (High School Library - 7:00PM)
April 02, 2014 (Wed.)	Board of Finance Special Meeting 7:00 P.M. (Middle School Library)
April 08, 2014 (Tues.)	Submit Board of Finance budget to members of Town Council
t/b/d	Town Council Special Meeting 6:30 P.M. – Adoption of Annual Budget
April 28, 2014 (Mon.)	Town meeting ( <b>Town Hall</b> – 7:00 P.M.)
April/May 2014	Rivereast advertisement on budget
May 6, 2014 (Tues.)	Town VOTE (High School)
June 2014	Set mill rate

Note: All meetings to be held in the Town Hall meeting room except as noted above.  
For more information call 860-267-4468.