

**Board of Finance
Regular Meetings**

January 20, 2015
(Tues)

February 17, 2015
(Tues)

March 16, 2015

April 20, 2015

May 18, 2015
(7:30)

June 15, 2015
(7:30)

July 20, 2015
(7:30)

August 17, 2015
(7:30)

September 21, 2015

October 19, 2015

November 16, 2015

December 14, 2015

**TOWN OF EAST HAMPTON
EAST HAMPTON, CT 06424
BOARD OF FINANCE
Meeting Agenda
Monday, April 20, 2015
6:30 PM**

Location: Town Hall Meeting Room

1. Call to Order
2. Pledge of Allegiance
3. Approval of Minutes of Meeting(s) *
 - a) March 30, 2015 – Public Hearing
 - b) April 1, 2015 – Special Meeting
4. Public Remarks
5. Special presentations
6. Correspondence
7. Status Reports (Financial)
 - a) Revenue projection
 - b) Expenditure projection
 - c) Fund Balance projection
8. Financial Transactions *
9. New Business *
 - a) Parks & Recreation Special Revenue Fund Transfer to Capital reserve Fund
10. Continued Business *
 - a) High School Renovation project update
 - b) CNG proposed expansion
 - c) 2015-2016 Budget
11. Liaison's Reports
 - a) Town Council
 - b) Board of Education
 - c) Economic Development Commission
 - d) Lake / Conservation
 - e) Fire Commissioners
 - f) Brownfields/Redevelopment
 - g) Park & Rec. Advisory Board
 - h) Water Task Force
12. Public Remarks
13. Town Manager's Report
14. Adjournment

* - Potential action item

TOWN OF EAST HAMPTON
 GENERAL FUND REVENUES
 AS OF MARCH 31, 2015
FY 2014-2015

	Original Estimate	Adjustments	Revised Estimate	Actual YTD Revenue	% Collected	Balance	Projected Variance	Comment
40 Property taxes	31,130,433	-	31,130,433	30,702,770	98.63%	(427,663)	-	
41 Investment income	25,000	-	25,000	13,563	54.25%	(11,437)	(7,000)	
42 License, permit & fees	414,140	-	414,140	291,043	70.28%	(123,097)	(20,700)	Town Clerk fees 61.2%. Bldg. Dept. 91.9%
43 Federal Grants	2,258	-	2,258	2,162		(96)	(96)	
44 STATE & LOCAL GRANTS *	8,618,530	-	8,618,530	4,571,411	53.04%	(4,047,119)	(46,978)	Property tax relief grant & Principal & Int. subsidy
45 Local gov. payments	12,500	-	12,500	7,376	59.01%	(5,124)	2,252	
47 Other revenue	83,065	-	83,065	31,954	38.47%	(51,111)	-	
48 Oper. Transfers In	-	-	-	2,468	0.00%	2,468	2,468	Greer and Cemetery (Young St.) Unspent proceeds
49 Other Fin. Sources	-	-	-	-	0.00%	-	-	
TOTAL GENERAL FUND	40,285,926	-	40,285,926	35,622,747	88.42%	(4,663,179)	(70,054)	

Forecasted variance..... (70,054)

Estimated revenues..... \$ 40,215,872

* - Excess cost is appropriated back to the BOE on an annual basis.

Grant	Budget	Est. Actual	Variance
State owned property	\$ 114,551	\$ 117,636	\$ 3,085
Elderly Circuit Breaker	45,000	47,040	2,040
Property tax relief *	40,718	12,500	(28,218)
School transportation	79,261	77,117	(2,144)
Casino grant	60,480	58,883	(1,597)
Principal & Int. subsidy (Final pmt.)	163,417	143,273	(20,144)
Total		\$ (46,978)	

* Pursuant to PA 14-47 §46, the Department of Revenue Services commissioner is required to deposit \$12.7 million of sales and use tax payments for FY 2015 into the Municipal Revenue Sharing Account (MRSA). The act also requires the Office of Policy and Management (OPM) secretary to distribute the funds to municipalities according to a specified municipal revenue sharing formula. Under the formula, the grants are distributed as follows:

- 50 percent on a per capita basis, and;
- 50 percent according to an existing property tax relief formula that apportions funds based on a municipality's population, adjusted equalized net grand list per capita, and per capita income of town residents.

Under the original grant payments were made quarterly, payable on November fifteenth, February fifteenth, May fifteenth and August fifteenth; however no payment date is specified for the FY 2015 payments.

TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
As of March 31, 2014
FY 2014-2015

Agenda Item: 7B

Deptment	YTD Expended /		Projected		Variance	% Spent	Comment
	Original Budget	Revised Budget	Encumbered	Available Budget			
Town Manager's Department	\$ 327,032	\$ 327,032	230,562	\$ 96,470	\$ -	70.5%	
Town Council/Special Programs	21,986	21,986	15,989	5,997	-	72.7%	
LEGAL FEES	145,000	145,000	94,718	50,282	-	65.3%	Arbitration (Supervisors)
Town Hall/Annex	251,910	251,910	202,928	48,982	(20,000)	80.6%	Police Dept. Annex (rent and related costs)
Finance and Accounting	441,387	441,387	343,447	97,940	-	77.8%	
Collector of Revenue	165,190	165,190	119,851	45,339	3,000	72.6%	Part time hours down
Assessor	177,683	177,683	154,328	23,355	(1,500)	86.9%	Retro-pay
Board of Assessment Appeal	1,938	1,938	381	1,557	1,000	19.7%	
Town Clerk	162,807	162,807	126,257	36,550	-	77.6%	
Registrars/Elections	45,483	45,483	31,987	13,496	-	70.3%	
General Insurance	320,450	320,450	292,630	27,820	(25,786)	91.3%	Worker comp. in excess of budget
Probate Court	14,802	14,802	14,802	-	-	100.0%	
Employee Benefits	1,355,422	1,355,422	817,952	537,470	160,000	60.3%	Vacant positions. No unemployment claims. Retro pay for union contracts budgeted here.
Contingency	20,000	20,000	-	20,000	20,000	0.0%	
Information Technology	76,293	76,293	55,367	20,926	-	72.6%	
Police Administration	307,409	307,409	231,970	75,439	-	75.5%	
Regular Patrol	1,359,746	1,359,746	1,058,188	301,558	(58,000)	77.8%	Currently 1 vacancy. 1 vacancy for 1/2 yr. OT 98% spent. \$32K in unallocated pay
Lake Patrol	3,716	3,716	1,172	2,544	-	31.5%	
Animal Control	38,771	38,771	27,251	11,520	1,000	70.3%	
Firefighting	280,313	280,313	129,108	151,205	7,500	46.1%	Part time pay at 19% of total
Fire Marshall	48,660	48,660	34,967	13,693	1,000	71.9%	
Town Center Fire System	9,050	9,050	1,773	7,277	2,000	19.6%	
Ambulance	6,500	6,500	5,422	1,078	1,000	83.4%	
Civil Preparedness	15,068	15,068	7,716	7,352	-	51.2%	
Communications	124,640	124,640	124,546	94	-	99.9%	The 2rd half of the Kx payment is already in.
Street Lighting	59,000	59,000	38,318	20,682	4,000	64.9%	
Chatham Health Distric Fee	115,813	115,813	115,813	-	-	100.0%	
Human Services	115,203	115,203	78,323	36,880	-	68.0%	
Senior Center	118,141	118,141	74,509	43,632	5,000	63.1%	Part time vacancy
Transportation	52,600	52,600	52,600	-	-	100.0%	
Community Services	5,250	5,250	4,620	630	630	88.0%	
Cemetery Care	5,000	5,000	-	5,000	-	0.0%	
Building, Planning & Zonin	348,061	348,061	264,565	83,496	(7,000)	76.0%	Overtime and part time higher than expected. Retro pay for supervisor.
Commission on Aging	1,000	1,000	273	727	250	27.3%	
Econ. Development Commissi	9,286	9,286	1,647	7,639	4,000	17.7%	
Conservation & Lake Commission	15,685	15,685	10,977	4,708	1,000	70.0%	
Redevelopment Agency	2,804	2,804	510	2,294	500	18.2%	
Middle Haddam Historic District	1,765	1,765	126	1,639	750	7.1%	
Public Works Admin.	1,382,995	1,382,995	1,101,993	281,002	(125,000)	79.7%	Overtime is \$51K over budget. Vehicle repairs are \$26K over budget
Engineering	60,000	60,000	15,051	44,949	1,000	25.1%	Any remaining balance will be used for the Brewer Rd. project
Town Garage	77,192	77,192	30,010	47,182	-	38.9%	
Townwide motor fuel	180,529	180,529	75,212	105,317	10,000	41.7%	Rate lock on gas \$1.83. Budget of approx. \$3.00
Road Materials	350,000	350,000	254,738	95,262	-	72.8%	Town Aid Rd. grant is being used before general fund.
Transfer Station	138,662	138,662	71,240	67,422	5,000	51.4%	Rental and refuse lower than expected
Septage Disposal	2,400	2,400	2,376	24	24	99.0%	
Park & Recreation	388,789	388,789	264,715	124,074	10,000	68.1%	Director's position vacant. One retro pay for supervisor.
Arts & Cultural Commission	1,950	1,950	-	1,950	-	0.0%	Items on order

TOWN OF EAST HAMPTON
 GENERAL FUND EXPENDITURES
 As of March 31, 2014
FY 2014-2015

Agenda Item: 7B

Department	YTD Expended /				Projected		Comment
	Original Budget	Revised Budget	Encumbered	Available Budget	Variance	% Spent	
Community Center	157,449	157,449	106,755	50,694	2,000	67.8%	
E Hampton Public Library	435,618	435,618	302,691	132,927	9,500	69.5%	Position vacant for part of the year.
Middle Haddam Library Contribution	20,000	20,000	20,000	-	-	100.0%	
General Obligation Bonds-Prin.	1,040,000	1,040,000	1,047,516	(7,516)	-	100.7%	
General Obligation Bonds-Int.	259,680	259,680	252,163	7,517	-	97.1%	
Operating Transfers Out	954,701	954,701	-	954,701	-	0.0%	
TOTAL	\$ 12,020,829	\$ 12,020,829	\$ 8,310,053	\$ 3,710,776	\$ 12,868	69.1%	
Board of Education	\$ 28,265,097	\$ 28,265,097	20,572,404	\$ 7,692,693	\$ -	72.8%	
TOTAL	\$ 40,285,926	\$ 40,285,926	\$ 28,882,457	\$ 11,403,469	\$ 12,868		

Town of East Hampton
Fund Balance Projection
June 30, 2015

Agenda Item: 7c

	TOTAL
	Projected as of
	06/30/2015
Total Fund Balance at July 1, 2014 (Audited).....	\$ 4,872,509
Less: Fund balance restrictions.....	-
Unrestricted Fund Balance at July 1, 2014 (Audited).....	<u>\$ 4,872,509</u>
2014-2015	
Forecasted Revenues.....	40,215,872
Forecasted Expenditures.....	40,273,058
Net income / (loss).....	<u>\$ (57,186)</u>
Forecasted ending fund balance.....	\$ 4,815,323
Unrestricted Fund Balance as a % of FY 2015 amended budget.....	12.0%

Fund balance at July 1, 2013	\$ 4,873,812
Fund balance at July 1, 2014	\$ 4,872,509
Estimated fund balance at June 30, 2015	\$ 4,815,323

Agenda Item: 9a

	<u>2015 Budget</u>
Parks & Recreation operating budget	\$ 388,789

Amt. to be retained within the fund 3.50%

Amount to be retained **\$ 13,608**

	<u>30-Jun-14</u>
Balance	\$ 56,651
Transfer Out	\$ 43,043
Balance	\$ 13,608

FY 14/15 Revenues - July 1 through September 30, 2014	104,534
FY 14/15 Expenditures - July 1 through September 30, 2014	(88,203)
Balance @ Sept. 30th	29,939

Excess as determined by policy to be transferred **16,331**

FY 14/15 Revenues - October 1 through December 31, 2014	\$ 17,506
FY 14/15 Expenditures - October 1 through December 31, 2014	\$ (22,047)
Balance @ Dec. 31st	9,067

As my staff and I went through the exercise of preparing the quarterly summaries for the transfer to the Capital Reserve Fund we encountered revenue and expenditure recognition issues relating to several programs. For the 3rd quarter we spent over 12 hrs. analyzing the revenues received and expenditures disbursed while trying to tie them to the programs and dates they were related to. In many instances revenue and expenditures received in quarter 3 (Oct. to Dec.) related to programs that ran into other periods. Some examples are below:

Men's Basketball - 10/20/14-4/30/15
 TaiChi - 11/18/14-1/6/15
 Jump Start - 9/20/14-6/10/15
 Youth Basketball - 12/13/14-2/28/15

The town records its transactions in the Parks & Rec. fund during the year on a cash basis. As we close the books for the year we make adjustments to revenue (deferrals) and expenditures (accruals) in order to present on a modified accrual basis. As a result of recording transactions during the year on a cash basis it is extremely likely that any amounts transferred out of the Parks & Rec. fund would be inaccurate due to the different periods the transactions are being recorded.

At this time I am recommending that the balances in the Parks & Rec. fund be reviewed on a fiscal year basis (June 30) rather than a quarterly basis.