

**Board of Finance
Regular Meetings**

January 19, 2016
(Tues)

February 16, 2016
(Tues)

March 21, 2016

April 18, 2016

May 16, 2016
(7:30)

June 20, 2016
(7:30)

July 18, 2016
(7:30)

August 15, 2016
(7:30)

September 19, 2016

October 17, 2016

November 21, 2016

December 19, 2016

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

Meeting Agenda

Monday, November 21, 2016

6:30 PM

Location: Town Hall Meeting Room

1. Call to Order
2. Pledge of Allegiance
3. Approval of Minutes of Meeting(s) *
 - a) September 19th, 2016 – Regular meeting
 - b) October 11th, 2016 – Special meeting
 - c) November 7th, 2016 – Special meeting
4. Public Remarks
5. Special Presentations
6. Correspondence
7. Status Reports (Financial)
 - a) FY 2016 Revenues
 - b) FY 2016 Expenditures
 - c) FY 2016 Fund Balance
8. Financial Transactions
 - a) FY 2016 End of Year Budget Transfers
 - b) FY 2016 Transfer from G/F to Capital for (Mill Rate Stabilization/Debt)
9. New Business
10. Continued Business
 - a) High School Renovation project status
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 JUNE 30, 2016
 FY 2015-2016

Agenda Item: 7A
 11/16/2016

	Original Estimate	Adjustments	Revised Estimate	Unaudited Actual YTD Revenue	% Collected	Balance	Projected Variance	Comment
40 Property taxes	32,122,485	-	32,122,485	31,981,175	99.56%	(141,310)	(141,310)	Back taxes and interest are lagging
41 Investment income	22,500	-	22,500	21,548	95.77%	(952)	(952)	
42 License, permit & fees	418,190	-	418,190	526,977	126.01%	108,787	108,787	Strong Town Clerk and Building Dept. fee revenue
44 STATE & LOCAL GRANTS *	8,400,370	-	8,400,370	8,309,375	98.92%	(90,995)	(90,995)	PILOT, Ecs and School Transportation grants have been cut
47 Other revenue	83,965	-	83,965	94,577	112.64%	10,612	10,612	
49 Other Fin. Sources	-	306,000	306,000	56,000	0.00%	(250,000)	(250,000)	Use of fund balance for Glastonbury Dispatch
TOTAL GENERAL FUND	41,047,510	306,000	41,353,510	40,989,652	99.12%	(363,858)	(363,858)	

Forecasted variance (363,858)

\$ 250,000

Estimated revenues \$ 40,989,652

(113,858) Revenue shortfall w/o fund balance use.

Grant	Budget	Est. Actual	Variance
State owned property	\$ 111,380	\$ 49,128	\$ (62,252)
ECS	7,715,347	7,723,810	8,463
Elderly Circuit Breaker	47,000	50,256	3,256
Adult Education	17,906	18,252	346
School transportation	72,232	60,007	(12,225)
Pequot-Mohegan Grant	61,969	44,261	(17,708)
Total		\$ (80,120)	

* - Excludes the BOE excess cost grant in the amount of \$548,412. The revenue was credited to BOE expenses in accordance with State statutes.

TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
As of June 30, 2016
FY 2015-2016

Agenda Item: 7B
11/16/2016

Unaudited							
ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	Total	Available	% USED	Comment
01010000 Town Manager's Dept.	332,647	-	332,647	332,151	496	99.9%	
01020000 Town Council/Special	22,539	-	22,539	29,592	(7,053)	131.3%	Appraisals (2 Bevin) & Friar
01040000 LEGAL	145,000	-	145,000	155,521	(10,521)	107.3%	Police and Supervisors contracts end 6-30-16
01050000 Town Hall/Annex	242,758	-	242,758	262,582	(19,824)	108.2%	Well, water system & door repairs
01060135 Finance and Accounting	457,312	-	457,312	457,186	126	100.0%	
01060136 Collector of Revenue	166,505	-	166,505	168,836	(2,331)	101.4%	A transfer from employee benefits will be needed for wage increases
01060137 Assessor	181,846	-	181,846	177,557	4,289	97.6%	
01060138 Board of Assessment Appeals	1,917	-	1,917	185	1,732	9.7%	
01070000 Town Clerk	162,768	-	162,768	166,248	(3,480)	102.1%	A transfer from employee benefits will be needed for wage increases
01080000 Registrars/Elections	45,483	-	45,483	44,721	762	98.3%	
01090000 General Insurance	373,410	-	373,410	323,215	50,195	86.6%	Workers comp. audit credit, ambulance reimb. & favorable rate
01100000 Probate Court	15,690	-	15,690	14,221	1,469	90.6%	
01110000 Employee Benefits	1,322,980	-	1,322,980	1,186,030	136,950	89.6%	Health ins. and unemployment favorable. Wage increases budgeted here
01120000 Contingency	20,000	-	20,000	0	20,000	0.0%	Can be used to offset police deficit
01150000 Information Technolog	88,234	-	88,234	87,784	450	99.5%	
01210211 Police Administration	315,169	-	315,169	313,960	1,209	99.6%	
01210212 Regular Patrol	1,442,146	-	1,442,146	1,511,151	(69,005)	104.8%	OT \$46K / Regular pay \$25K
01210213 Lake Patrol	3,883	-	3,883	997	2,886	25.7%	
01210214 Animal Control	44,000	-	44,000	43,921	79	99.8%	
01220221 Firefighting	256,955	-	256,955	239,061	17,894	93.0%	Heating oil & part time salaries
01220223 Fire Marshall	48,561	-	48,561	47,107	1,454	97.0%	
01220225 Town Center Fire System	9,128	-	9,128	4,312	4,816	47.2%	
01230000 Ambulance	6,500	-	6,500	692	5,808	10.7%	
01240000 Emergency Management	15,369	-	15,369	15,232	137	99.1%	
01250000 Communications	140,536	-	140,536	140,127	409	99.7%	
01260000 Street Lighting	59,000	-	59,000	57,139	1,861	96.8%	
01310000 Chatham Health District	121,341	-	121,341	121,341	-	100.0%	
01320000 Human Services	101,593	-	101,593	100,523	1,070	98.9%	
01330000 Senior Center	118,651	-	118,651	112,508	6,143	94.8%	
01340000 Transportation	52,600	-	52,600	52,600	-	100.0%	
01350000 Community Services	5,250	-	5,250	5,175	75	98.6%	
01360000 CEMETERY CARE	5,000	-	5,000	4,987	13	99.7%	
01370000 Commission on Aging	2,450	-	2,450	186	2,264	7.6%	
01410000 Building, Planning & Zoning	335,668	-	335,668	332,099	3,569	98.9%	
01420000 EDC	4,710	-	4,710	4,218	492	89.6%	
01430000 Conservation & Lake Comm.	85,201	-	85,201	84,249	952	98.9%	
01460000 Redevelopment Agency	2,555	-	2,555	841	1,714	32.9%	
01470000 Middle Haddam Historic Dist.	1,657	-	1,657	740	917	44.7%	
01510000 Public Works Admin.	1,415,013	(13,746)	1,401,267	1,400,803	464	100.0%	
01520000 Engineering	61,500	-	61,500	73,015	(11,515)	118.7%	Airline Trail Engineering (grant match)
01530000 Town Garage	78,907	-	78,907	72,543	6,364	91.9%	Heating oil
01540000 Townwide Motor Fuel	140,102	-	140,102	134,933	5,169	96.3%	

TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
As of June 30, 2016
FY 2015-2016

Agenda Item: 7B
11/16/2016

Unaudited

ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	Total	Available	% USED	Comment
01550000 Road Materials	358,750	-	358,750	346,632	12,118	96.6%	
01560000 Transfer Station	156,214	-	156,214	144,929	11,285	92.8%	Bulky waste removal
01570000 Septage Disposal	2,400	-	2,400	2,484	(84)	103.5%	Sewer use fee (Town Bldgs.)
01610610 Park & Recreation	396,681	-	396,681	390,992	5,689	98.6%	
01660000 Arts & Cultural Comm.	2,500	-	2,500	1,891	610	75.6%	
01670000 Community Center	145,562	-	145,562	146,736	(1,174)	100.8%	Cleaning coverage for building maintainer
01680681 E Hampton Public Library	441,195	-	441,195	442,963	(1,768)	100.4%	A transfer from employee benefits will be needed for wage increases
01680682 Middle Haddam Library	20,000	-	20,000	20,000	-	100.0%	
01710711 Bond Principal	720,000	-	720,000	720,000	-	100.0%	
01720721 Bond Interest	228,857	-	228,857	228,856	1	100.0%	
01750000 Capital Leases	173,860	-	173,860	119,238	54,622	68.6%	Will lease a replacement Public Works truck from this account.
01810000 Operating Transfers Out	1,172,172	319,746	1,491,918	1,491,918	-	100.0%	
TOTAL	12,270,725	306,000	12,576,725	12,336,930	239,795	98.1%	

Board of Education 28,776,785 - **28,776,785** **28,757,728** **19,057** **99.9%**

* - In accordance with State statutes the Board of Education has credited expenses for the Excess cost grant in the amount of \$548,412.

Total **41,047,510** **306,000** **41,353,510** **41,094,658** **258,852** **99.4%**



**EAST HAMPTON PUBLIC SCHOOLS
ADMINISTRATIVE OFFICES**

94 Main Street
East Hampton, Connecticut 06424-1119
TELEPHONE (860) 365-4000
FAX (860) 365-4004

PAUL K. SMITH
Superintendent of Schools

RODNEY L. MOSIER II
Director of Special Education
and Pupil Personnel Services

NANCY BRIERE
Interim Director of Curriculum & Instruction

KAREN HITCHCOCK ASETTA
School Business Manager

October 5, 2016

Memo to Jeff Jylkka, Finance Director, Town of East Hampton

Please record the full Excess Cost Grant received in the fiscal year ending June 2016 as an expense reduction to offset incurred special education costs within the Board of Education budgeted tuition lines, effectively netting the grant against actual expenses. The amount of this grant in the year ending June 2016 was \$548,412.

East Hampton has historically budgeted for the Special Education Excess Cost Grant by reducing the Board of Education budget for a forecasted amount of excess cost.

In prior years, after the year was closed, an additional appropriation was made equal to the amount of the Excess Cost Grant with approval granted by the Board of Finance and subsequent approval by our Town Council.

The supplemental appropriation must be reported to the State Department of Education as part of the total Town education appropriation. With this method, the 2016-17 education budget would be below the "Minimum Budget Requirement" and invoke the related penalty estimated to be over \$400,000.

The requested change to "net" the grant within the cost lines will not impact our budgeting method and is appropriate within the State statute 10-76g for state aid for special education.

Thank you, Karen Asetta, School Business Manager

Copy: Paul Smith, Superintendent of East Hampton Public Schools

Town of East Hampton
Fund Balance Projection
June 30, 2016

Agenda Item: 7c
11/16/2016

	TOTAL	
	Projected as of	
	06/30/2016	
Total Fund Balance at July 1, 2015 (Audited).....	\$ 5,064,400	
Less: Fund balance restrictions.....	-	
Unrestricted Fund Balance at July 1, 2015 (Audited).....	<u>\$ 5,064,400</u>	
2015-2016 (Unaudited)		
Forecasted Revenues.....	40,989,652	
Forecasted Expenditures.....	41,094,658	
Net income / (loss).....	<u>\$ (105,006)</u>	
Forecasted ending fund balance.....	\$ 4,959,394	
Unrestricted Fund Balance as a % of FY 2016 approved budget.....	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">12.1%</td></tr></table>	12.1%
12.1%		
Unrestricted Fund Balance as a % of FY 2017 proposed budget.....	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">11.6%</td></tr></table>	11.6%
11.6%		

**Town of East Hampton
Fiscal Year 2015-2016 End of Year Budget Transfers**

Agenda Item: 8A

Department	Org	Object	Description	Transfer From/To	Comment
TRANSFER FROM					
1	Employee Benefits	01110000	5270	Unallocated Payroll	\$ 7,590 See note
2	Employee Benefits	01110000	5250	Unemployment Compensation	\$ 10,000 No unemployment claims paid
3	Employee Benefits	01110000	5210	Medical Insurance	\$ 89,809 Position vacancies
4	Contingency	01120000	5990	Contingency	\$ 20,000
				\$ 127,399	
TRANSFER TO					
5	Septage Disposal	01570000	5410	Public Utilities	84
6	Community Center	01670000	5420	Cleaning Services	1,175
7	Library	01680681	5110	Full Time Salaries	1,770 Supervisor wage increase budgeted in unallocated payroll
8	Tax Collector	01060136	5110	Full Time Salaries	2,335 Supervisor wage increase budgeted in unallocated payroll
9	Town Clerk	01070000	5110	Full Time Salaries	3,485 Supervisor wage increase budgeted in unallocated payroll
10	Town Council	01020000	5330	Professional/Tech. Services	7,055 Appraisals (2 Bevin) & Friar Associates
11	Legal	01040000	5331	Labor Attorney	10,525 Police and supervisors negotiations
12	Engineering	01520000	5330	Professional/Tech. Services	11,520 Airline Trail Engineering (grant match) New officer budgeted at step 3 but hired at step 5 (\$8K). 4th budget referendum included a reduction of \$17,000. \$12K of this reduction s/h/b deducted from employe benefits and
13	Police Patrol	01210212	5110	Full Time Salaries	19,510 not the Police budget.
14	Town Hall/Annex	01050000	5430	Bldg & Equip Maint/Repair	20,440 Well, water system and door repairs
15	Police Patrol	01210212	5130	Overtime Salaries	49,500 Officer vacancies and budget not sufficient based on historical actuals
				\$ 127,399	

Note: Estimated salary increases for union contracts that are not settled are budgeted in unallocated payroll (Employee benefits)

This method has historically been done in order to not disclose to the unions an amount we are willing or expecting to settle for.

As a result, departments keep their budget frozen with the exception of step increases.

The above transfer is needed in order to zero out departmental deficits for the fiscal year end 2015-2016. This transfer also serves as additional communication to the Board of Finance and Town Council as to the operational areas in the budget that were over and under spent.

Motion: To approve the above transfers for the 2015-2016 fiscal year and authorized the Finance director to make any additional transfers, up to \$5,000, that may be needed in order close out the books for the 2015-2016 fiscal year. Further resolved that the Finance Director shall report back to the Board of Finance and the Town Council of any additional budget transfers.

APPROVED:

BOARD OF FINANCE:

TOWN COUNCIL:

Excerpt from the 9-8-2015 Town Council meeting minutes

Transfer funds of \$21,105 from Lease Payments

Mr. Hintz made a motion, seconded by Mr. Pfaffenbach, to waive the second reading of the previous motion on transferring the funds. Voted (7-0) in favor.

A motion was made by Mr. Philhower and seconded by Ms. Anderson that a transfer of \$21,105 be made from the lease payments fund into the debt sinking fund, contingent on a recommendation by the Board of Finance. Voted (7-0) in favor.

The above motion was approved and subsequently brought to the Board of Finance (BOF) for action. At the time the BOF took no action (see below)

September 21, 2015 BOF meeting minutes

4. New Business (previously item 9a):

- a) **Motion to consider recommending a transfer of \$21,105 to the Capital Reserve Fund from the General Fund (Capital Lease Payments).**

Mr. Jylkka informed the Board that this item was the result of the Town Council meeting discussion with respect to the trackless recommendation. He confirmed that this transfer would be current FY dollars. He also shared a municipal aid reduction notification (received after Town Council's request) from the State that predicts a \$62,226 reduction in Grant. The proposed transfer along with the possible state funding reduction may create a shortfall.

*Mr. Hurst made a motion to table any transfer recommendation pending confirmation on state grant/municipal aid reductions and resulting impacts to the general fund. The motion was seconded by Mr. Markham. After a brief discussion the motion went to vote. **Vote: 7-0. Motion Passed.***

Mr. Jylkka informed the Board that the Town Manager will be notified of the motion to table in order to then inform the Council.

Now that we are closing the fiscal year and that the operating results are substantially complete a motion to approve or not approve the transfer is needed. Fiscal year 2015-2016 we ended with an operating loss of **\$105,006**. Approving the transfer will increase the loss to **\$126,111**.

East Hampton High School
 SPN 042-0041 RNV/EA
 Estimated District Share Calculation
 Estimate of Probably District Reimbursement
 11/17/16

DRAFT

Total Project Budget Approved		\$	51,695,000
<i>Estimated District Share Pre-Referendum (6/4/13)</i>	\$		28,342,855
Estimated Ineligible Costs		\$	2,188,327
Change Orders (Estimated 50% of Owner Contingency)	\$		1,158,473
In-Scope Change Orders (Estimated 50% of CM Contingency)	\$		585,637
FF&E (Desktop PCs and Laptops)	\$		339,218
Work outside of project limits (Per Ineligible Cost Work Sheet)	\$		15,000
Relocation of Fiber Optic Service to Building	\$		15,000
Pro-rated soft cost	\$		75,000
Estimated Eligible Cost		\$	49,506,673
Deduction for Space Standard (Not Applicable)			
Reimbursement Rate			52.50%
Estimated State Reimbursement		\$	25,991,003
Estimated District Share		\$	25,703,997
Estimated Value Below District Pre-Referendum Share		\$	2,638,858