

**TOWN OF EAST HAMPTON**  
**EAST HAMPTON CT 06424**  
**BOARD OF FINANCE**  
Regular Meeting  
Tuesday, February 19, 2008  
7:00 PM  
Town Hall Annex

**Members Present:** Ted Hintz Jr, Chairman, Sharon Kjellquist, Vice Chairman, Henry Thorpe, Judy Isele, Kurt Comisky, Barbara Moore, George Pfaffenbach

**Other Attendees:** Finance Director, Jeff Jylkka, Town Council members Tom Cordeiro and Susan Weintraub, and BOE member Deborah Pessoni

**AGENDA**

**1. Call to Order/Pledge of Allegiance**

Chairman Hintz called this meeting to order at 7:01PM followed by the pledge of allegiance.

**2. Approval of Minutes of Meeting(s):**

A. December 17, 2007 Regular meeting

A motion was made by Sharon Kjellquist, seconded by Judy Isele to accept the minutes from the December 17, 2007 regular meeting. Motion approved 7-0

**3. Public Remarks.** None.

**4. Correspondence.**

The budget calendar was provided. Members agreed with what was defined on the calendar. The calendar will be posted.

**5. Special presentation.** N/A

**6. Status Reports (Financial).**

Finance Director Jeff Jylkka reviewed and addressed questions relating to the general fund expenditures, revenues, and fund balance. ([ATTACH DOCUMENTS](#))

Discussion highlights:

- Currently in the mediation phase of the police negotiations. If it goes to arbitration it could run 20k. Issues not resolved relate to salaries and benefits.
- Engineering is currently slow, typical of winter, but is expected to pick up
- ECS grant and school transportation grants positive
- Trying to collect on delinquent property taxes

**7. Financial Transactions**

A) Capital Improvement Fund (Contingency Transfer \$65,000)

Background/Explanation: The funds are needed in order to fund the construction, design, and engineering costs to upgrade and expand the Village Center Water System. The system, when complete, will remedy items addressed in the State of CT consent order. The total cost is estimated at \$615,000. The balance of funding will come from funds in the Water Development fund along with federal grant funds.

We've received a 2<sup>nd</sup> consent order, which the town council voted to have our acting town manager sign. The town council set up a water task force that is charged with satisfying the consent order. The consent order would cover the new town hall, village center, 3 property owners on the list, and the existing 29 property owners. Each year the BOF has put money aside for the water system (reserve fund). Reserve fund will be used to satisfy consent order. The whole project should be done by 2009.

A motion was made by Sharon Kjellquist, seconded by Judy Isele, to transfer from contingency (capital reserve fund, \$73,000) and debt sinking fund (capital reserve fund \$91,000) \$164,784 to village center water system capital account \$164,784. Motion approved 7-0.

8. **New Business.** None.

9. **Old/Continued Business.**

A) Board of Finance guidelines

The purpose of the guidelines is to communicate/make clear how we operate, what the BOF is responsible for. The guidelines follow state statutes as well as town, as appropriate. The most current version will be emailed to members. Members are to review it and send questions and/or comments to Kurt Comisky.

B) 2008-2009 Budget

Calendar was already discussed.

C) Town Survey

Facilities presented their findings & we received consent order for water system so the timing of this survey is no longer appropriate. BOF members agreed to hold off on their recommendation to have a town survey conducted.

10. **Liaison's Reports.**

WPCA: consent order was discussed

BOF member expressed concern that if we address the consent order that the water system will be put on the back burner.

BOE: passed their budget at 6.27% (88k reduction); felt that there was minimal discussion because most questions and answers were discussed via email. BOE used zero based budget approach on their special education budget and were able to reduce it, significantly. Sharon Kjellquist will distribute to the BOE the questions and answers that were discussed.

Town Council: budget policy statement was passed; the version distributed at the tri-board meeting is the most current version

EDC: last year they wanted an add to staff, they got funding for a consultant; BOF member feels that consultant has worked out well and advised the EDC to provide information relative to the success of the consultant if they desire funding in the next budget. A grant may allow us to obtain the corner of Main & High street, former Mr. D's site.

LAKE: attended presentation; was well attended which show interest in the lake

MHHD: voted on by-laws and application; will use zero based budgeting this year

11. **Public Remarks.**

Q: How much would the survey cost and were other survey administrators considered.

A: The survey would cost approximately 6k. Uconn was not selected as the survey administrator. In an effort to obtain additional information and cost, Uconn was contacted. Uconn was contact for informational purposes because they have experience with survey administration to municipalities.

Comment: Didn't care for the BOE approach for discussing their budget, was email correspondence this year where in the past it was face-to-face discussion.

12. **Town Manager's Report.**

Working on the budget.

Facilities will go back to the town council at the next meeting.

13. **Adjournment.**

A motion was made by Sharon Kjellquist, seconded by Judy Isele, to adjourn the meeting at 7:54PM. Motion approved 6-0.

Submitted by, Karen Lee

TOWN OF EAST HAMPTON  
GENERAL FUND EXPENDITURES  
AS OF FEBRUARY 19, 2008

Agenda Item: 7

Deptment	Original Budget	Revised Budget	YTD Expended / Encumbered	Available Budget	Projected Variance	Comment
Town Manager's Department	269,074	269,074	182,881	86,193	10,000	
Town Council/Special Programs	11,820	36,320	33,659	2,661	(5,000)	Recording clerks for meetings.
Facilities Administrator	98,111	98,111	53,594	44,517	-	
LEGAL FEES	79,000	79,000	82,693	(3,693)	(70,000)	Increase in utilization. Police negotiations
LEGAL DEFENSE	25,000	25,000	33,430	(8,430)	(25,000)	
Town Hall/Annex	233,948	233,948	151,305	82,643	-	
Finance and Accounting	420,903	420,903	235,071	185,832	-	
Collector of Revenue	178,867	178,867	95,105	83,762	-	
Assessor	169,210	169,210	92,463	76,747	-	
Board of Assessment Appeal	598	598	50	548	-	
Town Clerk	206,120	206,120	125,805	80,315	-	
Registrars/Elections	28,604	28,604	16,576	12,028	-	
General Insurance	171,500	171,500	140,392	31,108	4,000	
Probate Court	3,306	3,306	1,225	2,081	-	
Employee Benefits	1,076,076	1,076,076	576,428	499,648	12,000	Unemployment and tuition reimb. \$12K.
Contingency	10,000	10,000	0	10,000	10,000	
Police Administration	272,467	272,467	148,530	123,937	-	
Regular Patrol	1,203,721	1,203,721	625,696	578,025	-	
Lake Patrol	8,522	8,522	890	7,632		
Animal Control	45,754	45,754	23,478	22,276	1,000	
Firefighting	207,985	207,985	110,213	97,773	-	
Fire Marshall	80,218	80,218	40,296	39,922	12,500	Retirement
Ambulance	6,675	6,675	1,038	5,637	-	
Civil Preparedness	1,250	1,250	619	631	-	
Communications	107,715	107,715	105,618	2,097	-	
Street Lighting	60,000	60,000	26,135	33,865	8,000	
Health Department	95,113	95,113	95,113	0	-	
Human Services	92,924	92,924	15,464	77,460	-	
Senior Center	93,614	93,614	48,020	45,594	-	
Transportation	51,820	51,820	51,250	570	570	
Community Services	3,800	3,800	3,120	680	-	
Building, Planning & Zoning	328,657	328,657	151,713	176,944	25,000	Staff turnover
Econ. Development Commission	58,176	58,176	33,373	24,803	-	
Lake Pocotopaug Commission	14,795	14,795	8,343	6,452	-	

TOWN OF EAST HAMPTON  
GENERAL FUND EXPENDITURES  
AS OF FEBRUARY 19, 2008

Agenda Item: 7

Deptment	Original Budget	Revised Budget	YTD Expended / Encumbered	Available Budget	Projected Variance	Comment
Engineering	60,000	60,000	42,035	17,965	(12,000)	
Town Garage	41,075	41,075	33,336	7,739	-	
Townwide Motor Fuel	131,943	131,943	131,943	0	-	
Road Materials	246,723	246,723	110,500	136,223	-	
Transfer Station	195,544	195,544	112,071	83,473	-	
Septage Disposal	15,200	15,200	10,920	4,280	-	
Park & Recreation	349,099	349,099	241,808	107,291	-	
Community Center	133,458	133,458	68,848	64,610	-	
E Hampton Public Library	385,164	385,164	234,929	150,235	-	
Middle Haddam Library	7,000	7,000	7,000	0	-	
Middle Haddam Historic District	2,300	2,300	1,551	749	(700)	
General Obligation Bonds-Principal	410,000	410,000	410,000	0	-	
School Bonds-Principal	1,200,000	1,200,000	1,200,000	0	-	
General Obligation Bonds-Interest	161,583	161,583	161,584	-1	-	
School Bonds-Interest	211,669	211,669	165,284	46,385	-	
Operating Transfers Out	1,203,973	1,203,973	0	1,203,973	-	
Board of Education	23,543,089	23,543,089	14,315,156	9,227,933	-	
<b>TOTAL GENERAL FUND</b>	<b>\$ 35,154,502</b>	<b>\$ 35,179,002</b>	<b>\$ 21,174,316</b>	<b>\$ 14,004,686</b>	<b>\$ (23,630)</b>	

**Changes to Adopted Budget**

FY 2007-2008	Amount
Adopted Budget.....	<b>\$ 35,154,502</b>
Increases	
Additional appropriation for Town Manager recruitment.....	24,500
<b>Revised Budget.....</b>	<b>\$ 35,179,002</b>

TOWN OF EAST HAMPTON  
 GENERAL FUND REVENUES  
 AS OF FEBRUARY 18, 2008

Agenda Item: 7

	Original Estimate	Adjustments	Revised Estimate	Actual YTD Revenue	Balance	% Collected	Projected Variance	Comment
40 Property taxes.....	25,647,679	-	25,647,679	24,533,152	1,114,527	95.65%	(100,000)	Suppl MV, delinquent & int. -\$100K
41 Investment income.....	325,000	-	325,000	183,461	141,539	56.45%	25,000	Favorable interest rates. Effective use of idle cash.
42 License,permit& FEES.....	647,340	-	647,340	373,940	273,400	57.77%	25,000	Conveyance fees (Town Clerks Office) and Building permits
44 STATE & LOCAL GRANTS.....	8,446,758		8,446,758	4,581,354	3,865,404	54.24%	260,187	ECS grant +331k. School transportation grant +6k. Interest subsidy -77k.
45 Local gov.payments.....	21,000	-	21,000	22,567	(1,567)	107.46%	1,567	
47 Other revenue.....	66,725	-	66,725	37,521	29,204	56.23%	-	
48 Oper. Transfers In.....	-	-	-	-	-		-	
49 Other Fin. Sources.....	-	24,500	24,500	-	24,500	0.00%	(24,500)	Use of fund balance. No revenue to be recognized.
<b>TOTAL GENERAL FUND.....</b>	<b>35,154,502</b>	<b>24,500</b>	<b>35,179,002</b>	<b>29,731,995</b>	<b>5,447,007</b>	<b>86.60%</b>	<b>187,254</b>	
Forecasted variance.....			<u>187,254</u>					
Estimated revenues.....			<u>\$ 35,366,256</u>					

**Town of East Hampton  
 Unreserved/Undesignated Fund Balance Projection  
 June 30, 2008**

**Agenda Item: 7**

	<b>TOTAL            Projected as of            06/30/2008</b>
Total Fund Balance at July 1, 2007 (Audited).....	\$ 3,944,764
Less: Fund balance designations (2007).....	-
Reserved.....	(1,888)
Unreserved / Undesignated Fund Balance at July 1, 2006 (Audited).....	<u>\$ 3,942,876</u>
 <b>2007-2008</b>	
Forecasted Revenues.....	35,366,256
Forecasted Expenditures.....	<u>35,202,632</u>
Net income / (loss).....	<u>\$ 163,624</u>
Forecasted ending fund balance.....	\$ 4,106,500
Less: Fund balance designations (2008 and beyond)	
1)	-
2)	-
3)	-
4)	-
5)	-
6)	<u>-</u>
Forecasted Unreserved / Undesignated fund balance.....	<u>\$ 4,106,500</u>
Unreserved Fund Balance* as a % of <b>FY 2008</b> budgeted expenditures.....	<b>11.7%</b>

**Town of East Hampton  
Additional Appropriation / Transfer Request Form  
Fiscal Year 2007-2008**

**Fund:** Capital Reserve Fund (#50)  
**Department:** Contingency / Town Manager

**Additional Appropriation**   
**Transfer**

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*The following additional appropriation / transfer is recommended for board approval.*

<b><u>Transfer From</u></b>		
Contingency (Capital Reserve Fund)	50120000-5990	\$ 73,784
Debt Sinking Fund (Capital Reserve Fund)	50060135-5980-13900	91,000
		164,784
<b><u>Transfer To</u></b>		
Village Center Water System Capital Account	Fund 53 (Water Development Fund)	\$ 164,784

**Explanation**

The above funds are needed in order to fund the construction, design and engineering costs to upgrade and expand the Village Center Water System. This system, when complete will remedy items addressed in the State of Connecticut consent order. The total cost is estimated at \$615,000. The balance of funding will come from funds in the Water Development Fund along with federal grant funds. See attached for a project budget.

**Source of Funds**

The capital reserve fund currently has a contingency balance of \$84,550. The debt sinking fund has a \$91,000 balance.

<u>Approved</u>	<u>Yes</u>	<u>No</u>	<u>Date</u>
Board of Finance	X		02-19-2008
Town Council			