

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

Regular Meeting Minutes  
Monday, May 19, 2008  
7:30 PM

Town Hall Meeting Room

**Members Present:** Ted Hintz, Chairman, Barbara Moore, George Pfaffenbach, Henry Thorpe 7:33), and Judy Isele.

**Other Attendees:** Finance Director, Jeff Jylkka and Town Council member Susan Weintraub

**1. Call to Order**

Chairman Hintz called this meeting to order at 7:31PM followed by the pledge of allegiance.

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

- A. April 3, 2008 - Special Meeting
- B. April 14, 2008 - Board of Finance Public hearing
- C. April 14, 2008 - Special Meeting
- D. April 21, 2008 - Regular Meeting
- E. May 6, 2008 - Special Meeting

A motion was made by George Pfaffenbach, seconded by Barbara Moore, to approve the minutes from the April 3, 2008 - Special Meeting, April 14, 2008 - Board of Finance Public hearing, April 14, 2008 - Special Meeting, April 21, 2008 - Regular Meeting, and May 6, 2008 - Special Meeting. Motion approved 4-0.

**3. Public Remarks.** None.

**4. Correspondence.**

Jeff Jylkka provided the Updated Preliminary Adopted State Budget for FY 2008-2009 Impact on East Hampton.

Jeff Jylkka advised that they are looking into the consolidation of bills; having 1 tax bill rather than 2. The existing practice has been in place since 1949.

**5. Special Presentation.** None.

**6. Status Reports (Financial)**

Jeff Jylkka shared highlights and responded to questions regarding the General Fund Expenditures, General Fund Revenues and Unreserved/Undesignated Fund Balance Projection. (**ATTACH**)

Discussion highlights:

- BOF member expressed concern that the budget could be increased without tax payers being informed of the increases. Any increase less than \$24,999 does not need to go to the town for a vote. An increase of \$24,999 could be made to each department's budget.
- Tax collection: considering working with Pitney Bowes on getting correct addresses going back 4 years. This would allow the town to follow-up on outstanding balances. Regardless of the decision to use Pitney Bowes or not, the town is working very hard to collect taxes.

Jeff will follow-up by sending the members the appropriation ordinance and additional information on money spent with regard to the town manager search.

**7. Financial Transactions.** None.

**8. New Business**

- A. Auditor appointment for FY 2007-2008 (Blum Shapiro)

Jeff advised that the appointment needs to be made no later than 30 days following year end. This is the end of the 5 year appointment of Blum Shapiro. The town will go out to RFP (request for proposal) at the end of this year to identify the next appointment.

BOF members who had discussions with the partner expressed concern with the auditors approach. There were a few instances where members felt some inquiry should have occurred on behalf of the auditor, yet the auditor did not feel it was part of their scope. Jeff advised that he had a conversation with Gerry and that Gerry took some responsibility for what occurred. Jeff further recommended that the BOF set up an audit committee to work directly with the auditor and recommended to make the appointment of Blum Shapiro with existing auditor and then reevaluate when we go out for RFP. Members agreed that the audit committee would be beneficial. Some members reiterated that the instances raised to Gerry's attention should have been addressed and were part of their scope and are concerned that the service being provided to us by Gerry is poor.

A motion was made by Barbara Moore, seconded by George Pfaffenbach, to appoint Blum Shapiro. Motion withdrawn.

A motion was made by Barbara Moore, seconded by George Pfaffenbach, to appoint Blum Shapiro contingent upon a new managing partner to be selected by the BOF or audit committee. Motion approved 3-1-1. Chairman Hintz opposed and Judy Isele abstained.

A motion was made by Judy Isele, seconded by Barbara Moore, to add 9C to the agenda for the audit committee. Motion approved 5-0.

#### **B. Set Mill Rate**

A motion was made by Judy Isele, seconded by, George Pfaffenbach, to set the mill rate for the 2008-2009 fiscal year at 23.81. Motion approved 5-0.

#### **C. Audit Committee**

The audit committee includes Judy Isele, Barbara Moore, and Chairman Hintz.

### **9. Old/Continued Business**

#### **A. Board of Finance Guidelines**

Move to next meeting since Kurt is not in attendance.

#### **B. Purchasing ordinance**

Move to next meeting. This was a topic that Sharon asked to add to the agenda, so it would be appropriate to discuss with her in attendance.

#### **C. Town Survey**

The Town Council will decide if they want a town survey or not. BOF is removing this from the agenda. Chairman Hintz to contact Town Council and BOE to see if this is something they would like to discuss at a tri-board meeting.

### **10. Liaison's Reports**

Town Council: Fertilizer ordinance did not pass.

Lake Commission: Volunteers took water samples during the last storm.

### **11. Public Remarks**

Comment: It was suggested that the BOF is not applying the same scrutiny to search firm selected for the town manager search under the current town council as they did under the former town council.

Response: BOF members expressed concern with regard to the process/approach taken by the former town council as it was not consistent with policy or practice. Additionally, the fact that the agreement was mailed to a town council members home address rather than the town hall and that it was on the town's letter head, not the firms again suggested that standard practice and policy were not being followed.

Comment: Why hasn't the BOF questioned the water system money/budget.

Response: This question has been asked in the past and the response is the same; the water system budget has been developed over the past few years in anticipation of the town's need. The money has been part of each budget and has been voted on by the public.

**12. Town Manager's Report.** None.

**13. Adjournment.**

A motion was made by Barbara Moore, seconded by George Pfaffenbach, to adjourn the meeting at 8:42PM. Motion approved 5-0.

Submitted by Karen Lee