

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

Regular Meeting, Middle School Library
Tuesday, January 17, 2012, 7:00 PM

Meeting Minutes

Members Present: Patience R. Anderson, Matthew D. Walton, Henry Thorpe, Timothy S. Csere, David Monighetti and Mary Ann Dostaler.

Member(s) Absent: Ted Turner

Other attendee(s): Jeffery M. Jylkka (Director of Finance); Keith Hayden (Public Works Director); Paul Owen (Fire Chief) and Richard Dufour (Fire Commissioner)

1-2. Chairman Walton called the meeting to order at 7:00 p.m. followed by the pledge of allegiance.

3. Approval of Minutes of Meeting(s).

a) December 19, 2011 – Regular Meeting. Motion made by Timothy Csere, seconded by Patience Anderson to approve the minutes for the December 19, 2011 meeting as presented. Motion approved 6-0.

4. Public Remarks. None

Mary Ann Dostaler made a motion to add agenda item 9A. Discussion of the FY 2011 audit report. The motion was seconded by Tim Csere. Motion approved 6-0.

5. Correspondence. Mary Ann Dostaler distributed a memo from Interim Town Manager, John Weichsel. The memo was dated 01/09/12 and sent to Chris Goff (copy attached).

The Finance Director distributed a memo from Dr. Judith Golden to John Weichsel, Interim Town Manager dated December 22, 2011 (copy attached).

The Finance Director distributed a copy of the 2012-2013 Town Council Budget Policy statement (copy attached).

6. Special Presentations.

Fire Chief Paul Owen gave the Board an overview of the Fire Departments 2012-2013 proposed operating and capital plan.

Public Works Director Keith Hayden gave the Board an overview of the Fire Departments 2012-2013 proposed operating and capital plan.

7. Status Reports (Financial).

a) 2011-2012 Revenues. Mr. Jylkka began by reviewing the December 31st, 2011 Investment & Deposit Report (copy attached). A mid-year forecast for revenues was presented (copy attached). Revenues are currently forecasted to fall short by approximately \$102,000. The main drivers for the shortfall are, lower than anticipated current year tax collections, investment income, building and Town Clerk fees.

b) 2011-2012 Expenditures. Mr. Jylkka presented a mid-year forecast of expenditures (copy attached). Expenditures are anticipated to come in under budget by approximately \$114,000.

8. Financial Transactions. None

9. New Business.

a) FY 2011 audit report – The audit was discussed briefly. Mr. Jylkka will have the audit firm review the audit at the February meeting.

10. Old/Continued Business.

a) 2012-2013 Budget.

b) Board of Finance Goals. The Board members discussed their goals for 2012. A draft summary is attached.

c) Citizens Guide to the Budget – It was the consensus of the members that the Board of Finance would prepare a citizens guide to the budget. Mary Ann Dostaler agreed to prepare a draft document. The other members of the board would provide input.

11. Liaison's Reports.

Patience Anderson attended the Conservation Lake Commission meeting and provided a summary.

Mary Ann Dostaler attended the Board of Education and Town Council meetings and gave a summary.

12. Public Remarks. None

13. Town Manager's Report. None

14. Adjournment. A motion was made by Patience Anderson, seconded by Timothy Csere to adjourn the meeting at 10:43p.m. Motion approved 6-0.

Submitted,

Jeff Jylkka
Finance Director

Office of the Town Manager
Town of East Hampton
Connecticut 06424

John Weichsel
Interim Town Manager

Town Council
Susan B. Weintraub, Chairperson
Glenn S. Suprono, Vice Chairman
Kyle R. Dostaler
Ted Hintz, Jr.
Derek M. Johnson
Barbara W. Moore
George Pfaffenbach

January 9, 2012

Christopher Goff
29 Wildwood Lane
East Hampton, CT 06424

Dear Mr. Goff:

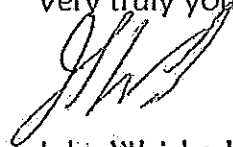
In response to your letter, the finances of the Town are handled by the Finance Department headed up by Jeff Jylkka. Mr. Jylkka is doing an outstanding job in that capacity. He has not indicated that there is any "gross mismanagement of departmental resources" [Police Department].

In addition Mr. Jylkka's accounts are audited every year by an outside independent certified public accountant, J.H. Cohn, L.L.P. The auditors likewise have raised no issue of gross mismanagement or misuse of funds by the Police Chief.

There are problems in the Police Department but they are not financial. Having some sort of investigation in this area would be counterproductive. Instead I intend to work with Chief Reimondo and the Union to try to remedy these problems. I have had two meetings with the Union and of course met frequently with Chief Reimondo.

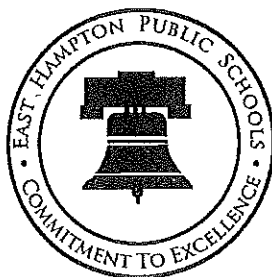
I trust this answers your letter of December 13, 2011.

Very truly yours,



John Weichsel
Interim Town Manager

Cc: Town Council



**EAST HAMPTON PUBLIC SCHOOLS
ADMINISTRATIVE OFFICES**


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

JUDITH A. GOLDEN, Ph.D.
Superintendent of Schools

KEYVIN M. REICH
Assistant Superintendent of Schools

LAURIE GONZALEZ
Director of Special Education &
Pupil Personnel Services

KAREN HITCHCOCK ASETTA
School Business Manager

TO: Mr. John Weichsel, Interim Town Manager
FROM: Dr. Judith A. Golden, Superintendent of Schools 
RE: Timeline/Process for High School Renovation Project
DATE: December 22, 2011

As you requested, below please find what I understand to be the process which would be followed and the timeline for that process.

1. Board of Education approves moving the project to Town Council with a request to
 - a. appoint a Building Committee to oversee the project and
 - b. make a request to the Board of Finance for the \$75,000 needed to complete preliminary designs and educational specifications.

Suggested Timeline: January 2012

2. The Building Committee meets and arranges through their own process to contract with an architectural firm to work with the Board of Education (staff and administration) to develop a preliminary design and create the educational specifications.

Suggested Timeline: February 2012

3. The Board of Education works with the architect in conjunction with the Building Committee to do the above.

Suggested Timeline: March – June 2012

4. The Building Committee approves the preliminary design and educational specifications and moves it to the Board of Education for approval.

Suggested Timeline: June 2012

5. The Board of Education approves the above.

Suggested Timeline: June 2012

6. The Building Committee requests that the Town Council set a referendum date and question for the project.

Suggested Timeline: August 2012 (A referendum date must be set 60 days prior to the actual referendum.)

7. Community Forums, conversations – public relations campaign conducted during the fall prior to the referendum.

8. Assuming Referendum passes, the application for funding is prepared and submitted prior to June 30, 2013. Whichever department is now responsible for approval of such grants will work with the architects and Building Committee prior to submitting the grant request. The legislature will take it under consideration and the town will be notified sometime in October of 2013. (this is a guess at best)

9. During the 2013-14 year, the Building Committee will release an RFP for an architect to create the full designs based on the preliminary design and educational specifications and an RFP for a construction company is also released.

Suggested Timeline: June 2014

10. July 1, 2014 funds released for bonding to begin the project - The work prior to this mentioned in #9 is usually funded by short term loans and Mr. Jylkka can give you a full explanation of the financing of such a project and how it works.

11. If all goes well, renovation complete in September 2016.

cc: Kevin Reich
Mark Laraia
Glenn Gemma
Jeff Jylkka
Sue Weintraub
Frank Grzyb

TOWN OF EAST HAMPTON - FISCAL YEAR 2012-2013

Town Council Budget Policy Statement

OBJECTIVE

The objective of this budget policy statement is to provide suggestions and guidance to the Town Manager, Board of Finance, Board of Education and the Capital Expenditure Committee for the implementation of policy in creating the Town of East Hampton Budget for fiscal year 2012-2013.

GENERAL STATEMENT

The overall position of the Town Council is to provide the residents of East Hampton with responsible and effective fiscal leadership. With thoughtful investment in the Town, we can better address long-term challenges regarding school facilities, promote and adopt sustainable and progressive land use policies and invest in cost-effective solutions. The Town must also maintain its current municipal and safety services while continuing to provide for a quality public education system for our children.

We ask that when all responsible budget departments plan their spending requests for the upcoming fiscal year, they always consider the needs of the residents first and foremost.

GUIDELINES

To this end, The Town Council provides the following budget guidelines for fiscal year 2012-2013:

1. For the Town Council, Board of Education and Board of Finance to meet annually and discuss the budget and Town Council Budget Policy statement in a scheduled Tri-board meeting on an agreed upon date and time.
2. Include residents and taxpayers in the budget process as early as possible through numerous communication media outlets and to ensure the budget process is presented in an easy-to-understand format.
 - 2.1. Provide for the funding of a Town Annual Report to communicate to residents the services that they received in the prior fiscal year and the associated costs and expenditures.
3. For departments identified and considered appropriate by the Board of Finance and/or Finance Director, apply zero-based budgeting.
4. Create a budget that will work within the available revenues and State funds that are expected for the next fiscal year taking into account inflation and current economic conditions.
5. All projected revenues and expenditures, including anticipated financing costs, during the fiscal year shall be internally tested and reported by the Finance Director on a quarterly basis to the Town Council, Town Manager, and the Board of Finance.
6. Should any line item be reduced or eliminated from any Town Manager (submitted) budget prior to its submission to public meeting and then vote, the Town Manager and the Finance Director, in conjunction with the Superintendent of Schools, if applicable, shall prepare a written report for the Town Council, Board of Finance and Board of Education (if applicable) evaluating the short and long term impact on municipal services or initiatives of such proposed budget reduction.
7. The fund balance shall not to be used to lower the annual mill rate or pay for Town operating expenses.
8. Support and coordinate with the State, surrounding towns and organizations in an effort to regionalize and leverage residential and municipal services.

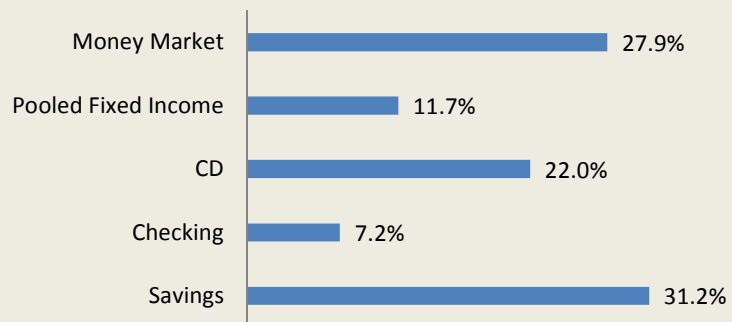
9. To review and consider the ongoing facility needs of the Town of East Hampton.
10. Continue to offer support to our quality public education system and to work with the Interim Town Manager, Board of Finance and Board of Education in an effort to move forward with and fund facility improvements to the East Hampton High School as prescribed by NEASC (New England Association of Schools and Colleges).
11. Support expenditures in the areas of new technologies regarding Information Technology, updates in IT security and accounting and management procedures. The intent of such expenditures is to optimize efficiencies in our municipal operations, improve communication between Town government and Town residents, streamline and coordinate workflow, increase productivity and/or achieve meaningful cost savings in this fiscal year and in the future.
12. Recognizing the changes in our Town, allow for staffing increases that are necessary for effective Town governance and operations taking into due consideration the associated benefits in Town services, operations, and/or public safety (i.e. Police/Fire Departments) while seeking to minimize any increased tax burdens to the community.
 - 12.1. For the retention, on a contractual, as-needed or full time basis, of a certified and professional network engineer to provide more effective and much needed IT support for the processing, security, storage and dissemination of information.
 - 12.2. Review of current contracts for the purchase, lease, or rental of equipment and professional services for the purpose of achieving cost savings and/or improved efficiencies.
13. Support health and wellness programs and disease management initiatives to improve employee productivity, employee retention, and employee health to decrease employee absenteeism and costs related to health.
14. Provide support to our Public works department for preventative and general maintenance of town infrastructures.
15. Provide for the continued support of public safety services (i.e. Police/Volunteer Fire Departments) with regards to training and equipment.
16. To ensure public safety and health by providing support for Emergency Service initiatives for equipment, training, organizational development and planning.
17. Commitment to Lake Pocotopaug, East Hampton's Watershed Areas and to make improvements in storm water management practices. All precious natural resources should be protected and all plans and projects with this goal should be considered a priority.
18. Support expenditures and resource allocation for appropriate economic development that is consistent with the character of the Town, as is necessary and appropriate, as well as the allocation of municipal resources required for any development including fiscal-positive commercial tax-deferrals and incentives.
19. Ensure that Town social services and programs for seniors are funded to meet the needs of the community.
20. As part of our land-use environmental policy, allocate such capital expenditures as necessary for the purchase of property for town and/or open space use when opportunities arise.
21. Incorporate long-term capital project considerations in fiscal year budgets.

Town of East Hampton

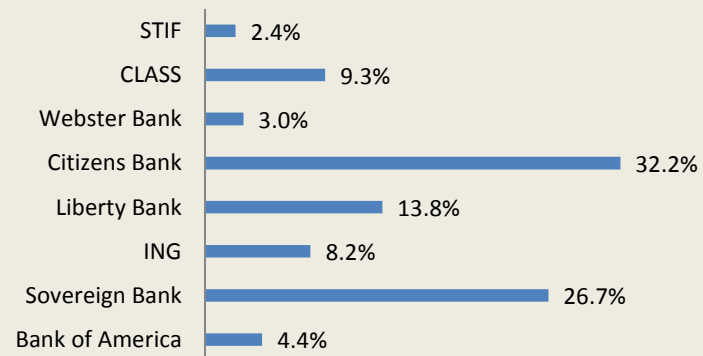
Investment & Deposit Report for the Quarter ended December 31, 2011

Bank	Date Opened	Maturity Date	Days to Maturity	Type	Q4 2011	
					Amount	Rate
Bank of America			-	Checking	885,878	0.00%
Bank of America			-	Savings	283,973	0.10%
Sovereign Bank			-	Checking	40,000	0.00%
Sovereign Bank			-	Money Market	4,008,085	0.75%
STIF			-	Pooled Fixed Income	69,989	0.10%
CLASS			-	Pooled Fixed Income	1,130,482	0.01%
ING			-	Savings	-	0.00%
ING	1/23/2011	1/23/2012	23	CD	1,050,925	1.00%
Citizens Bank			-	Checking	2,142,003	0.00%
Citizens Bank			-	Savings	870,066	0.06%
Webster Bank				Checking	327,411	0.00%
Webster Bank				Money Market	1,200,372	0.14%
Liberty Bank	3/29/2011	3/28/2012	88	CD	750,000	0.75%
Liberty Bank	4/5/2011	4/4/2013	460	CD	975,504	1.00%
TOTAL					13,734,688	

**Types of Investment
% of Total**



% Invested by Institution



TOWN OF EAST HAMPTON
GENERAL FUND REVENUES
SIX MONTHS ENDED DECEMBER 31, 2011
FY 2011-2012

Agenda Item: 7A
REVISÉD 1-17-2012

	Original Estimate	Adjustments	Revised Estimate	Actual YTD Revenue	% Collected	Balance	Projected Variance	Comment
40 Property taxes	28,796,113	-	28,796,113	17,103,031	59.39%	(11,693,082)	(72,790)	Back tax collections/interest (-\$25k). Current year taxes (-\$86). SMV (+39k)
41 Investment income	60,000	-	60,000	11,137	18.56%	(48,863)	(30,000)	Low interest rates.
42 License, permit & fees	403,000	-	403,000	179,238	44.48%	(223,762)	(18,450)	Building permits and Town Clerk fees
43 Federal Grants	-	-	-	8,525		8,525	8,525	This amount does not include approx. \$48k that we will receive from FEMA.
44 STATE & LOCAL GRANTS *	8,415,937	-	8,415,937	2,226,476	26.46%	(6,189,461)	3,429	
45 Local gov. payments	11,000	-	11,000	6,598	59.98%	(4,402)	-	
47 Other revenue	78,241	-	78,241	22,835	29.19%	(55,406)	7,055	
48 Oper. Transfers In	-	-	-	-	0.00%	-	-	
49 Other Fin. Sources	-	-	-	-	0.00%	-	-	
TOTAL GENERAL FUND	37,764,291	-	37,764,291	19,557,840	51.79%	(18,206,451)	(102,231)	

Forecasted variance..... (102,231)

Estimated revenues..... \$ 37,662,060

TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
Six Months Ended December 31, 2011
FY 2011-2012

Agenda Item: 7B
1/5/2012

Deptment	Original Budget	Transfers / Adjustments	Revised Budget	YTD Expended / Encumbered	Available Budget	Projected Variance	Comment
Town Manager's Department	\$ 300,061	\$ -	\$ 300,061	\$ 127,554	\$ 172,507	\$ 20,000	Interim town manager
Town Council/Special Programs	35,464	-	35,464	10,279	25,185	-	
Facilities Administrator	114,523	-	114,523	57,747	56,776	(300)	EOY payroll accrual
LEGAL FEES	125,000	-	125,000	74,902	50,098	(50,000)	
Town Hall/Annex	254,958	-	254,958	144,053	110,905	-	
Finance and Accounting	409,778	-	409,778	212,961	196,817	-	
Collector of Revenue	167,814	-	167,814	86,027	81,787	3,000	Part-time position vacant for part yr.
Assessor	175,344	-	175,344	79,692	95,652	-	
Board of Assessment Appeal	323	-	323	50	273	-	
Town Clerk	177,016	-	177,016	99,892	77,124	-	
Registrars/Elections	48,841	-	48,841	16,500	32,341	5,000	Assumes one budget referendum
General Insurance	230,750	-	230,750	190,814	39,936	-	Waiting on workers comp. payroll audit
Probate Court	12,527	-	12,527	6,264	6,264	-	
Employee Benefits	1,216,976	-	1,216,976	531,116	685,860	75,000	Favorable ins. Rate / Self-funded dental
Contingency	100,000	-	100,000	-	100,000	100,000	
Information Technology	56,875	-	56,875	29,726	27,149	-	
Police Administration	280,897	-	280,897	157,824	123,073	(10,000)	Daigle IA report
Regular Patrol	1,313,044	-	1,313,044	684,289	628,755	(25,000)	Officer injuries/tropical storm
Lake Patrol	4,361	-	4,361	1,178	3,183	1,000	
Animal Control	32,188	-	32,188	17,760	14,428	(7,000)	Too much was reduced from proposed budget
Firefighting	231,703	-	231,703	106,752	124,951	-	
Fire Marshall	36,245	-	36,245	15,822	20,423	-	
Town Center Fire System	10,260	-	10,260	6,139	4,121	-	
Ambulance	6,910	-	6,910	132	6,778	-	
Civil Preparedness	8,550	-	8,550	704	7,846	-	
Communications	118,933	-	118,933	115,045	3,888	-	
Street Lighting	61,000	-	61,000	24,149	36,851	2,500	
Health Department	105,320	-	105,320	105,320	-	-	
Human Services	112,459	-	112,459	58,242	54,217	-	
Senior Center	106,345	-	106,345	52,974	53,371	-	
Transportation	54,100	-	54,100	19,000	35,100	-	
Community Services	3,800	-	3,800	4,200	(400)	(400)	
Building, Planning & Zonin	336,422	-	336,422	179,689	156,733	-	
Econ. Development Commissi	11,383	-	11,383	1,283	10,100	-	
Conservation & Lake Commission	16,211	-	16,211	660	15,551	-	
Redevelopment Agency	3,365	-	3,365	541	2,824	-	
Middle Haddam Historic District	1,770	-	1,770	499	1,271	-	

TOWN OF EAST HAMPTON
 GENERAL FUND EXPENDITURES
 Six Months Ended December 31, 2011

Agenda Item: 7B
 1/5/2012

FY 2011-2012

Department	Original Budget	Transfers / Adjustments	Revised Budget	YTD Expended / Encumbered	Available Budget	Projected Variance	Comment
Public Works Admin.	1,240,065	-	1,240,065	616,831	623,234	-	Overtime is at 27% spent.
Engineering	60,000	-	60,000	19,840	40,160	-	
Town Garage	53,617	-	53,617	35,322	18,295	-	
Townwide motor fuel	162,400	-	162,400		55,221	-	
Road Materials	348,856	-	348,856	167,731	181,125	-	
Transfer Station	146,770	-	146,770	102,797	43,973	-	
Septage Disposal	11,250	-	11,250	11,260	(10)	(10)	
Park & Recreation	359,156	-	359,156	185,364	173,792	-	
Community Center	163,441	-	163,441	56,046	107,395	-	
E Hampton Public Library	422,420	-	422,420	215,828	206,592	-	
Middle Haddam Library	7,000	-	7,000	-	7,000	-	
General Obligation Bonds-P	585,000	-	585,000	335,000	250,000	-	
School Bonds-Prin	340,000	-	340,000	340,000	-	-	
General Obligation Bonds-I	205,590	-	205,590	105,326	100,264	-	
School Bonds-Int	94,708	-	94,708	25,799	68,909	-	
Operating Transfers Out	1,070,500	-	1,070,500	-	1,070,500	-	
TOTAL	\$ 11,552,289	\$ -	\$ 11,552,289	\$ 5,436,922	\$ 6,008,188	\$ 113,790	

BOF Goals for 2011-2012

- 1- Approval of Town Budget on 1st vote.
- 2- Institute a “Debt and Capital” policy.
- 3- Maintain a debt rating of “AA” from Standards & Poor’s Ratings Services and “Aa3” from Moody’s Investors Services, try to increase if possible.
- 4- Support a High School renovation plan.
- 5- Attain “Certificate of Achievement for Excellence in Financial Reporting”. This designation is awarded by the Government Financial Office of America for our CAFR and is validated every year.
- 6- Revisit Town Facilities Task Force Recommended Plan, Town Hall, Center School, Fire Department and Police Department have similar and unique issues to be addressed like the High School.
- 7- Effective budget communication with the citizens.