Town of East Hampton

Board of Finance

Special Meeting

Capital Improvement Policy Workshop

Saturday, October 12, 2013

Town Hall Meeting Room

**Approved Minutes**

**Present**: Timothy Csere, Mary Ann Dostaler, Ted Turner, Matthew Walton, Tom O’Brien, David Monighetti and Patience Anderson.

**Other attendee(s):** Jeffery M. Jylkka, Director of Finance

**1. Chairman Walton called the meeting to order at 9:00 a.m. followed by the**

 **Pledge of Allegiance.**

**2. Public Comment:** None

**3. Discuss and deliberate on the draft Capital Improvement Policy -**

A copy of the draft was given to the board members to review.

 **Page one of the draft:**

* Mary Ann Dostaler suggested redefining the “Purpose”.
* Tim Csere suggested changing the second paragraph to read, “A comprehensive capital plan

 will help ensure the future financial health of the Town and *systematically provide efficient*

 *delivery* of public services to citizens and businesses”.

* Jeff Jylkka stated that the Superintendent and Town Manager had some concerns about the

 wordage in the 4th paragraph so the board revised the wordage to: “The following

 Capital/Fixed Asset items are to be included *for consideration* in the Town’s annual operating

 Budget”.

* Under the heading “Definitions”, Mary Ann Dostaler suggested adding the following headings:
1. Capital Improvement, 2. Capital Budget, 3. Capital Equipment and 4. Capital Projects.
* Timothy Csere made the following changes to the 3rd paragraph under “Definitions”:

In the first sentence, the words “by the Town Council” should be omitted. The sentence should read: “The Capital Budget is the first year of a five year plan for capital expenditures to be incurred over a given fiscal year from funds appropriated through the annual budget process.” The words “for projects scheduled in the same year” should be omitted.

 **Page two:**

* In the last paragraph under the heading “Criteria”, Mary Ann Dostaler suggested that “CIP” be changed to “Capital Budget”.

**The following are all changes under the heading “Capital Improvement Planning Committee” on page 2:**

* The heading “Capital Improvement Planning Committee” be changed to “Capital Improvement Committee”.
* In section 1 under the heading, “Capital Improvement Planning Committee”, in the second sentence, omit the words “individual boards”. The sentence should read: “Committee assignments shall be determined by the *board chair*”.
* Mary Ann Dostaler suggested adding 3 headers and putting the sections that are on the draft under those headers:
1. Capital Improvement Committee – add “Section 1” under this heading
2. Capital Improvement Process- add “Sections 2, 4 & 5” under this heading
3. Reporting Responsibilities – add “Section 3” under this heading
* In section 3, the second sentence should read: “The report shall be submitted to the Board of Finance for its consideration and recommendation”.

 **Page 3:**

* The board made a unanimous decision to refer to the “Capital Improvement Planning Committee” as “CIP”.
* Under the heading “Capital Improvement Program Timing/Schedule”, the words “in general” should be omitted at the start of the second sentence and should read: “*As part of the* *annual budget process*, the CIP will be prepared, presented and acted upon in accordance with the following schedule”.
* Timothy Csere suggested changing the January 29 date to January 10 and to change February 15 to March 1st. Mary Ann Dostaler suggested articulating what needs to be done within the time frames.
* Mary Ann Dostaler suggested moving the first paragraph under “Capital Improvement Program Timing/Schedule” to the first paragraph under the heading “Identification of Needs”.
* Under the heading “Identification of Needs”, it was suggested to add “Board of Education” to the end of the last sentence in the first paragraph.

 **Page 4:**

* Under the heading “Project Description”, need to add “photos and documentation”.
* Under the heading “Project Justification” (second bullet), the sentence should read: “Does it *address* a health, fire or safety *concern*”.
* The board discussed adding a bullet under the heading “Project Justification” that states: “Does it meet or address a new state or federal mandate” and having the written legislation attached.
* Under the heading “Estimated Costs”, the first sentence in the second paragraph should read: “The steps for major capital projects in the CIP, those estimated to exceed $250,000, *may be* *required* by the Town Manager and will generally include the following”.

 **Page 5:**

* Under the heading “Funding”, the first sentence should read: “The Town Council, as part of the annual operating and capital budget process, will review the *capital equipment and capital* *projects included in the CIP* as recommended by the Board of Finance.
* Timothy Csere suggested adding a definition of Capital Initiatives Fund.

**Page 6:**

Timothy Csere submitted the following changes:

**Revisions to Approved CIP Projects:**

Periodically there will be changes made to approved CIP Projects that will require extra funding. This could arise from unanticipated inflation, change from the original project description or bids that may push up the original cost estimate. These additional funding requests will be handled as follows:

 1- The Department and authorized identity responsible for the Project makes an initial

 determination that additional funds are required for a specific purpose.

 2- The Department Head submits a written request for additional funding to the Town Manager.

 This request will include the original Finance Department CIP request form and will include

 Detailed cost differences in the original Project and the revised Project.

 3- This additional funding can be approved by the Town Manager providing the additional costs

 do not exceed $10,000 or more than 10% of the original Project cost.

 4- Should the Project Cost increase be more than $10,000 or 10% more than the original Project

 cost then the Project must go back to the CIP Committee for their review and approval

 process.

**Funding New and Emergency CIP Projects:**

Periodically there will be projects that arise suddenly or on an emergency basis. These situations will be handled as follows:

 1- The Department responsible for the project makes an initial determination that funds are

 required for a specific purpose.

 Note: The board members discussed adding the phrase “employees, citizens and

 Commissions” to the sentence above.

 2- The Department Head submits a written request for funds to the Town Manager. This

 written request is completed on our Finance Department CIP Fund request form.

 3- The Town Manager will make a recommendation to the CIP Committee. If the CIP Committee

 rejects the Project we stop here, if approved we move to step 4.

 4- The Town Manager will prepare a report and resolution for approval from the Board of

 Finance, Town Council, and Board of Education if needed. This report will be placed on the

 agenda of the next regular scheduled meeting of the Board of Finance and Town Council, and

 Board of Education if needed. Emergency meetings will be scheduled if necessary.

Mary Ann Dostaler suggested drafting a statement of intent for the policy.

**4. Adjournment** – Timothy Csere motioned to adjourn the meeting at 11 a.m., seconded by Tom O’Brien.

 Meeting adjourned.

Respectfully submitted,

Christine Castonguay

Recording Secretary