Town of East Hampton

Board of Finance

Special Meeting

Monday, July 7, 2014

Town Hall

**Approved Minutes**

**Present:** Ted Turner, Dean Markham, Don Coolican, Mary Ann Dostaler, Alan Hurst, David Monighetti, Lori Wilcox

**Other Attendee(s):** Jeffery Jylkka, Director of Finance and Barbara Moore, Town Council Chairperson

**1-2. Chairman Turner called the meeting to order at 6:59 p.m. followed by the Pledge of Allegiance.**

**3. Public Remarks: None**

1. **Discuss and take possible action on a request to transfer funds within the Capital Reserve Fund for the purpose of funding costs associated with the emergency replacement of an air handler at Memorial School.**

**Presentation:**

Diane Dugas, EH Superintendent of Schools, started by thanking the BOF for attending on such short notice and distributed a presentation for discussion. The presentation was developed with input from Don Harwood, Facilities Director. Superintendent Dugas provided the Board with background on the Air Handler (age, condition, area served), as well as possible ancillary impacts this replacement may cause. She then discussed the scope of the work to replace, and provided quotes from 4 companies with their selection being Stafford Mechanical at a cost of $35,300 (+ possible ancillary service costs of ±$4,000).

Superintendent Dugas proposed that, due to the unexpected nature of this critical project, the $40,300 could be funded through the reallocation of capital dollars from three (3) currently approved projects:

* Central Services Phone System Replacement $16,000
* Media Center/PLC Flex Space $10,000
* Middle School Sidewalk Extension $14,400

Total: $40,400

Although the deferment of these 3 projects will negatively impact the schools, it is acknowledged that this Air Handler Replacement is more critical.

**Q&A:**

**Mr. Hurst:** If we move the money you need for this project, how do we know you will not be back in front of us shortly for the Middle School Air Handler Replacement since it was thought that one would need to be replaced before the Memorial School one?

**Sup. Dugas:** because of the anticipated need to replace the Middle School Air Handler, there is $20,000 in reserve earmarked for that project (the Middle School air handler is half the size and therefore will be less than the current $40,300 being requested).

**Mr. Markham:** If we are simply replacing the air handler, why is ceiling and duct work listed under ancillary impacts?

**Sup. Dugas:** Because of the age of the unit being replaced (23 years old), repair was not an option (ex: refrigerant used is no longer available, etc.); replacement is the only option. After 23 years, we do not know what may be found during the installation process. The ancillary items listed are possible impacts not known impacts.

**Decision:**

Following the presentation and Q&A, a creative and collaborative discussion, as dubbed by Ms. Dostaler, was had by the Board Members precipitated by Mr. Coolican’s suggestion to take the money from capital contingency rather than from the previously approved 3 projects. After much discussion on available money (general fund, capital contingency, capital reserve) and what amount requires approval from the Town Meeting (Once the threshold of $25,000 is reached, Town Meeting approval is required per Mr. Jylkka. This is cumulative which means that once that $25,000 threshold is met any request for transfer of funds, regardless of amount, will require approval.) and concern about depleting the capital reserve fund this early in the fiscal year, a motion was made by Mr. Hurst to leave the 3 projects untouched and take $24,400 from the general fund and $16,000 from capital contingency. The motion was seconded by Mr. Markham. **Vote was unanimous in favor. Motion passed.**

**Adjournment:**

Chairman Turner adjourned the Public portion of the meeting at 7:21pm.

**Executive Session:**

A motion was made by Chairman Turner at 7:22 pm to move into the Executive Session. The motion was seconded by Mr. Coolican and Mr. Markham simultaneously. **Vote was unanimous in favor. Motion passed.**

Respectfully submitted,

Renee Bafumi

BOF Recording Secretary