

TOWN OF EAST HAMPTON
AGENDA REPORT

Agenda Item #: 66

Item to be presented by:
Ruth G. Plummer Parks and Recreation Director

DATE: April 9, 2013

SUBJECT: Play scape for Sears Park

DEPARTMENT: Parks and Recreation

RECOMMENDED ACTION

It is recommended that the purchase contract be awarded to the M.E. O'Brien & Sons using the DAS price schedule.

BACKGROUND

M.E. O'Brien & Sons has supplied a price using the State of CT Department of Administrative Services purchasing agreement, under contract # 11PSX0116. Purchasing the play structure under the DAS program results in an approximate savings of \$3022.00.

ALTERNATIVE ACTIONS

FISCAL IMPACT

Sufficient funds exist in the Recreational Program Special Revenue fund to cover the \$35,706.84 purchase price. This alternative funding source has been built up for this purpose. This planned project has the support of the Parks and Recreation Advisory Board, as the play structure will service children enrolled in Sears Park programs as well as park patrons.

AIA[®] Document G802™ – 2007

Amendment to the Professional Services Agreement

Amendment Number: 001

TO: Town of East Hampton
(Owner or Owner's Representative)

In accordance with the Agreement dated: November 14, 2012

BETWEEN the Owner:
(Name and address)
Town of East Hampton
20 East High Street
East Hampton, CT 06424

and the Architect:
(Name and address)
The S/L/A/M Collaborative, Inc. ("SLAM")
80 Glastonbury Boulevard
Glastonbury, CT 06033

for the Project:
(Name and address)
Addition & Renovation - As - New at High School
15 North Maple Street
East Hampton, CT 06424

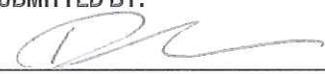
Authorization is requested
 to proceed with Additional Services.
 to incur additional Reimbursable Expenses.

As follows:
Engage Fuss & O'Neill to conduct PCB testing as requested and approved by the Town of East Hampton

The following adjustments shall be made to compensation and time.
(Insert provisions in accordance with the Agreement, or as otherwise agreed by the parties.)

Compensation:
Allowance of \$28,000.00 which includes Fuss & O'Neill testing costs and reimbursable expenses along with a 10% mark-up for SLAM coordination. See attached Fuss & O'Neill proposal for scope of testing services.

Time:
N/A

SUBMITTED BY:


(Signature)
DANIEL S. KANTOR, TREASURER

(Printed name and title)
3/20/13

(Date)

AGREED TO:

(Signature)

(Printed name and title)

(Date)



FUSS & O'NEILL
EnviroScience, LLC

February 14, 2013
Revised February 22, 2013

Mr. Glenn R. Gollenberg
Principal
The S/L/A/M Collaborative, Inc.
80 Glastonbury Boulevard
Glastonbury, Connecticut 06033-4415

**RE: Inspection for Polychlorinated Biphenyls (PCBs) Materials at
East Hampton High School, 15 North Maple Street, East Hampton, CT
Fuss & O'Neill EnviroScience No. 20100880.A3E**

Dear Mr. Gollenberg:

Fuss & O'Neill EnviroScience, LLC (EnviroScience) is pleased to submit this proposal to provide inspection services and characterization of PCB-containing materials related to the proposed additions demolition and renovate-as-new project at the East Hampton High School.

EnviroScience will provide these services cost effectively and in general compliance with the applicable laws and regulations of the U.S. Environmental Protection Agency (USEPA) and the State of Connecticut Department of Energy and Environmental Protection (CTDEEP).

Scope of Services

EnviroScience proposes to provide the following services:

A. Documents Review

EnviroScience will review the project scope with S/L/A/M Collaborative, Inc. to develop an appropriate sampling and analysis plan. Materials that will be impacted by the renovation and demolition work only will be sampled. In addition, we will review the asbestos sampling conducted by Eagle Environmental (Bristol, CT) to cross reference locations and material types which contain asbestos at the Site to determine if materials also contain PCBs.

B. PCB Testing

We have prepared this scope of services for the testing of window caulk and glazing compound associated with window systems, door caulk, expansion joint/seam caulks, wood flooring system (gym, wood shop), roofs and mastics that will be disturbed by renovation activities for PCBs at the building.

146 Harford Road
Manchester, CT
06040
t 860.646.2469
800.286.2469
f 860.533.5143

www.fando.com

Connecticut
Massachusetts
Rhode Island
South Carolina



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1a. PCB Initial Testing- Source Materials

Initial sampling of the above-referenced building materials will be performed by EnviroScience. Three representative samples of each building material will be collected. If PCBs are identified above regulated concentrations, supplemental sampling of the adjacent porous and non-porous building materials as well as soils and concrete/asphalt located below the window and door systems and expansion joints (*if applicable*) will need to be conducted which is beyond the scope of this proposed scope and fee. The supplemental sampling of surfaces may be required for the development of plans for submission to USEPA if PCBs are determined to be present within bulk products.

The following are suspect caulks, glazes and expansion caulks observed during our site walk thru conducted in June 2012:

Observed Location	Building Material Type	# of Samples
Entrance near main office	Door caulk	3
Throughout school	Red expansion joint on brick wall seams	3
Cafeteria, various classrooms	Exterior window glazing putty	3
Kitchen, Cafeteria, boiler room	Caulk between concrete block wall and door frame	3
Throughout	Gray expansion joint associated with decorative block wall systems	3
Kitchen, various areas	Exterior window glaze (different style window)	3
60s wing classrooms	Interior/exterior window caulking	6
Gymnasium, wood shop	Wood varnish, black paper/tar under wood flooring system	9
Classrooms	2 types of window caulking	6
Exterior	Expansion joint between walls and concrete pavers	3
Exterior	Wall expansion joint	3
Exterior	Caulk associated with pebble stone wall panels	3
Throughout	Roof/mastics	15
Total:		63

3. PCB Wipe and Air Sampling (if required)

It is our understanding that renovations will not occur until the summer of 2015. The USEPA requires under the Self-Implementing On-Site Cleanup and Disposal Plan (SIDP) that indoor air and wipe samples be collected within the school building if regulated PCB-containing materials have been identified in the school building. This sampling is to assist in demonstrating that the



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building can be safely occupied until such time as the identified PCBs can be safely removed during construction.

PCB Wipe Sampling

Wipe samples will be collected in accordance with 40 CFR §761Sub-Part P. Sufficient sample size will be collected to ensure a detection limit that allows quantification of the data relative to the USEPA action concentration of $<1 \mu\text{g}/100 \text{ cm}^2$ ($0.1 \mu\text{g}/\text{cm}^2$).

All of the rooms used for food preparation will be tested for PCBs, and a representation of offices and classrooms will be tested randomly for PCBs in the building. Dependent on the type and location of PCB building materials identified, wipe samples will be collected on representative surfaces, such as, window sills, floors, horizontal surfaces (table, desk, etc.). In food preparation areas, wipe samples will be collected at representative surfaces, such as, window sills, floors, food contact surfaces (stove tops, serving tables, etc.).

For each sampling event, a reference sample per 20 wipes will be taken from a room where PCBs were not previously detected. In addition one duplicate sample will be collected per 20 wipes samples. After sampling, the samples will be sealed in 4 oz. glass jars properly labeled with chain of custody filled out and sent to Contest Laboratory in East Longmeadow, MA for analysis by a modified EPA method 8270C.

PCB Air Sampling

Air samples will be collected in accordance with USEPA Method TO-10A. Sufficient sample volume will be collected to ensure a detection limit that allows quantification of the data relative to the USEPA advisory concentration of $450 \text{ ng}/\text{m}^3$ for students of high school age, faculty, and staff at 19 plus years (adults) in schools. PCB homolog analysis (modified 8270C) analysis will be performed on these samples.

All of the rooms used for food preparation will be tested for PCBs and a representation of offices and classrooms will be tested randomly for PCBs in the building. For each sampling event, one reference sample will be taken from a room where PCBs were not previously detected in the building. In addition one duplicate sample will be collected. After sampling is complete, the samples will be collected, properly labeled and chain of custody filled out, and sent to Contest Laboratory in East Longmeadow, MA for analysis by EPA Method TO-10A.



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Project Fees

A. Document Review/Meeting

1.	Designer/Project Manager, 3 hours @ \$146.00/hour	\$438.00
2.	Project Director (PD), 3 hours @ \$180.00/hour	\$540.00
	Subtotal:	\$978.00

B. PCB Testing

1a. Initial Testing

1.	Senior Env. Inspector, 12 hours @ \$82.00/hour	\$984.00
2.	Environ. Tech. I, 4 hours @ \$70.00/hour	\$280.00
3.	Sample Analyses (5-day TAT), 63 samples @ \$100.00/sample*	\$6,300.00
4.	Designer/Project Manager, 4 hours @ \$146.00/hour	\$584.00
5.	Project Director, 2 hours @ \$180.00/hour	\$360.00
6.	Client meeting-1 hour PM, 1 hour PD	\$350.00
	Subtotal:	\$8,858.00

**Quantity may be more or less per Inspection above. You will be charged for the samples actually analyzed.*

3. PCB Wipe and Air Sampling**

1.	Senior Env. Inspector, 14 hours @ \$82.00/hour	\$1,148.00
2.	Environ. Tech. I, 14 hours @ \$70.00/hour	\$980.00
3.	PUF Sampling Media, 14 PUF @ \$31/PUF	\$434.00
4.	Sample Analyses-Air (5-day TAT), 14 samples @ \$325.00/sample	\$4,550.00
5.	Sample Analyses-Wipe (5 day TAT), 42 samples @ \$100.00/samples	\$4,200.00
6.	Designer/Project Manager, 3 hours @ \$146.00/hour	\$438.00
7.	Senior Review, 2 hours @ \$180/hour	\$360.00
8.	Client meeting-2 hours PM, 2 hours PD	\$700.00
	Subtotal:	\$12,810.00

***Note: Number of samples and labor to conduct sampling dependent on source sampling testing results. Above is an estimate and subject to change.*

TOTAL A&B: \$22,646.00

NOTE: Reimbursable costs will be billed to the client, which include, but are not limited to, mileage at \$0.565/mile, copies, shipment fees, etc.

Chapter 146. WATER AND SEWER AUTHORITY

CHAPTER 146. WATER AND SEWER AUTHORITY

§ 146-1. Creation; powers and duties. § 146-2. Membership; terms; vacancies. § 146-3. Officers; minutes; meetings. § 146-4. Records; annual report; budget. § 146-5. Removal of Commissioners.

[HISTORY: Adopted by the Special Town Meeting of the Town of East Hampton 5-23-1967 (Ord. No. 4.02). Amendments noted where applicable.]

GENERAL REFERENCES

Sewer construction — See Ch. 261.

Sewer use — See Ch. 264.

Water system construction — See Ch. 295.

Water system use — See Ch. 299.

§ 146-1. Creation; powers and duties.

The Town of East Hampton hereby creates a Water and Sewer Commission, and designates said Commission as the Water and Sewer Authority of the Town of East Hampton with all the powers, purposes and objectives set forth in Chapters 102 and 103 of the Connecticut General Statutes, as amended, and grants such Commission power to construct and operate a water distribution system within the Town of East Hampton, subject to the provisions of Chapters 102 and 103 of such statutes.

§ 146-2. Membership; terms; vacancies.

[Amended 12-2-1976 STM; 2-8-1980 STM; 7-29-1987 STM] Said Commission shall consist of seven electors of the Town of East Hampton, who shall be appointed by the Town Council and serve without compensation. The seven members shall serve for terms of five years. When terms end or resignations occur after June 30, 1987, the Town Council shall allow two positions to remain vacant to reduce the membership from nine to seven members. Terms shall expire on June 30 in each year. Whenever a vacancy occurs, the Council shall appoint a successor to hold office for the unexpired portion of the term. A Commissioner shall continue in office until his successor is appointed.

146-3. Appointments

Pursuant to Town Charter sec.3.2 and 3.3, based upon merit and fitness alone, the Town Manager shall appoint a Public Utilities Administrator to oversee the day to day operations of the Water Pollution Control Authority.

§ 146-~~43~~. Officers; minutes; meetings.

The Commission shall elect a Chairman from among its own members at the first meeting and annually thereafter at the first meeting held after the first day of July in each year. The Commission shall appoint a Clerk, who need not be a member of the Commission, an attorney, and such other employees as it may deem necessary, and shall prescribe and define their duties. The Clerk shall keep a complete record of the proceedings of the Commission and, when ordered by the Commission, shall file the same with the Town Clerk. All such records shall be open for public inspection at reasonable hours. Meetings of the Commission may be called by the Chairman or any two members upon 24 hours' notice thereof.

§ 146-54. Records; annual report; budget.

The Commission shall maintain proper accounting and financial records, and shall make an annual report to the Council. The Commission shall prepare annually a budget of estimated revenue and expenditures for the ensuing fiscal year.

§ 146-65. Removal of Commissioners.

A Commissioner may be removed for inefficiency or neglect of duty or misconduct in office by the Town Council after a hearing conforming to recognized standards of due process of law; a Commissioner shall be removed only after opportunity to be heard in person or by counsel before the Town Council, at least 10 days prior to which he shall have been given a copy of the charges against him. In the event of the removal of any Commissioner, a record of the proceeding, together with the charges and findings thereon, shall be filed in the office of the Town Clerk of East Hampton.

Town of East Hampton, Connecticut Debt Policy

INTRODUCTION

The purpose of a debt policy is to establish consistent parameters and guidance for the Board of Finance and Town Council to make decisions on capital spending and issuance of debt as a means to fund them.

The Town recognizes the foundation of any well-managed debt program is a comprehensive debt policy. In addition to the general parameters, this policy provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt financing, methods of sale that may be used, and structural features that may be incorporated.

Finally, this debt policy is the Town's recognition of a binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. The policy helps to ensure that the Town maintains a sound debt position and that credit quality is protected.

In summary, the main advantages of a formal debt policy are as follows:

- Enhances the quality of decisions by imposing order and discipline, and promoting consistency and continuity in decision making;
- Rationalizes the decision-making process;
- Identifies objectives for staff to implement;
- Demonstrates a commitment to long-term financial planning objectives; and
- Is regarded positively by the rating agencies in reviewing credit quality.

INTEGRATION OF CAPITAL-PLANNING AND DEBT FINANCING ACTIVITIES

Multi Year Capital Plan. The Town prepares a multi-year Capital Improvement Program for consideration and adoption by the Board of Finance and Town Council as part of the Town's budget process. Annually, the capital budget identifies revenue sources and expenditures for the current year and the next succeeding four fiscal years. As part of the capital project planning process, the Town evaluates the financial impact of each proposed project. The plan is updated annually.

Funding of the Capital Improvement Program. Whenever possible, the Town will first attempt to fund capital projects with Local Capital Improvement Program (LoCIP) grants as part of its broader capital improvement plan. If these grants are not available, the Town will use general revenues (pay-as-you go), reserve funds, excess surplus, bond financing, or a combination thereof. The Town is guided by three principles in selecting a funding source for capital improvements: equity, effectiveness and efficiency.

1 **Fairness:** Whenever appropriate the beneficiaries of a project or service will pay for it. For example, if a project is a general function of government that benefits the entire community, such as a school, police station or library, the project will be financed with general obligation bonds and repaid with general tax revenues. If, however, the project benefits specific users, such as water and sewer facilities, the revenues will be derived through user fees or charges and assessments.

2 **Effectiveness:** In assessing a source or sources of revenue for the financing of projects the Town will select one or more options that effectively pays the annual debt service costs. For example, funding a capital project or the debt service on a project with a user fee or assessment, the Town should consider the term of the assessments that will repay the financing.

3 **Efficiency:** If grants or current revenues are not available to fund a project the Town will select a financing technique consistent with acceptable risk factors and principals of equity and effectiveness. These techniques currently consist of fixed-rate general obligation or revenue bonds issued by the Town.

Infrastructure Maintenance, Replacement and Renewal. The Town intends to set aside sufficient current revenues to finance ongoing maintenance needs and to provide periodic replacement and renewal consistent with its philosophy of keeping the Town's capital facilities and infrastructure systems in good repair and to maximize a capital asset's useful life. It is the Town's goal to encourage plans for scheduling this maintenance.

DEBT AUTHORIZATION (TOWN CHARTER REQUIREMENTS)

Agency	Comment
PLANNING AND ZONING COMMISSION	Proposed project must be referred to the local Planning and Zoning Commission for approval or a report (unless project is solely purchase of movable equipment). Planning and Zoning Commission should act on referral before Town Meeting is held. Action by Commission must be by majority vote of all its members, not just a majority of those present. C.G.S. Sections 8-24; 8-22.
BOARD OF FINANCE	Prior to Town Meeting, Board of Finance must recommend appropriation and bond and note authorization. Charter, Sections 5.1, 5.2; C.G.S. Section 7-348.
TOWN COUNCIL (If Town Council decides to submit an item to referendum the Town Clerk will need 30 days notice in order to prepare)	The Town Council must recommend appropriation and bond and note authorization and set date for Special Town Meeting to act on recommendation. Charter, Section 2.4; C.G.S. Section 7-3. The Town Council can submit any item to referendum by acting not less than five days prior to the Town Meeting. Charter, Section 4.4; C.G.S. Section 7-7.
NOTICE OF TOWN MEETING (Must be submitted 3 days before publication)	When the proceedings above are complete, the Notice of Town Meeting must be posted and published at least five days prior to meeting, and the Return of Notice must be filed with Town Clerk. Publication must be in a newspaper having a general and substantial circulation in the Town. Do not include day of Town Meeting in counting five days for publishing and posting notice. Charter, Sections 2.4, 4.1; C.G.S. Sections 7-3, 7-4. Notice of referendum initiated by the Town Council should be included in notice of Town Meeting. Town meeting must be held within seven to fourteen days prior to referendum date. Charter, Section 4.4; C.G.S. Sections 7-7, 7-9c.
TOWN MEETING	Town Meeting held and full resolution authorizing appropriation, bonds and temporary notes, etc., read, moved, seconded and voted. Charter, Section 4.1. Votes on the resolution should be counted unless the votes are to be taken at a referendum initiated by the Town Council or at an adjourned Town Meeting pursuant to a petition filed under Charter, Section 4.4 and C.G.S. Section 7-7. If voting is to take place at a referendum or adjourned town meeting, ballot heading of referendum question is announced and the Town Meeting is adjourned to referendum to be held within seven to fourteen days of meeting.
ADJOURNED TOWN MEETING - REFERENDUM	Absentee ballots must be provided. C.G.S. Sections 9-135, 9-1(n), 9-369c.

PURPOSES FOR WHICH DEBT MAY BE ISSUED

- The Town will consider financing major capital improvements with a total cost exceeding \$100,000. Such costs may include any planning, design and land acquisition costs for such improvements.
- The Town will consider issuing debt to finance projects that have been included in the Five-Year Capital Improvement Program.

REFUNDING OF EXISTING DEBT

A refunding transaction is the issuance of new bonds to refund an outstanding bond issue(s). Most refundings are performed primarily to take advantage of current interest rates that are lower than the rates on the outstanding bonds and to realize budgetary savings. The Town may consider a refunding for three primary reasons:

- 1 To reduce interest costs;
- 2 To achieve net present value savings (NPV) that exceed two (2%) percent of the debt service amount of the refunded bonds; and
- 3 To eliminate bond covenants that may have become restrictive.

OBJECTIVES OF ISSUING DEBT

- The Town will finance capital projects through the issuance of debt for the shortest period practical but will not exceed the useful life of the asset.
- The Town will evaluate debt management options as part of its annual Five-Year Capital Improvement Program process in order to prioritize future financing needs.
- The Town will attempt to minimize its reliance on long-term debt.

LEGAL LIMITATIONS

- Connecticut General Statutes limit the amount of indebtedness the Town may have outstanding to seven times the total annual tax collections including interest and lien fees plus the reimbursement for revenue loss on tax relief programs.

TYPES OF DEBT PERMITTED TO BE ISSUED AND CRITERIA FOR ISSUANCE

TYPES

- Bond Anticipation Notes (BAN's)
- Tax Anticipation Notes (TAN's)
- General Obligation (GO) Bonds
- Revenue Bonds or Special Assessment Bonds
- Lease Purchase Financing
- Tax Increment Financing (TIF)

CRITERIA

a. Short Term Debt

- 1 **Bond Anticipation Notes:** The Town may choose to issue Bond Anticipation Notes as a source of interim funding during a project's construction phase. Such notes are generally issued for a one-year term and can be renewed for a period not to exceed ten years, subject to mandatory pay downs beginning before the end of third year. . Before issuing such notes, the Finance Director will contact the Town's Financial Advisor, for consultation.
- 2 **Tax Anticipation Notes:** The Town may choose to issue Tax Anticipation Notes to fund internal working capital cash flow needs. Before issuing such notes, cash flow projections will be prepared by the appropriate Town Departments and reviewed by the Finance Director. Tax Anticipation Notes should only be considered following consultation with the Town's Financial Advisor.
- 3 **Leasing:** Leasing is appropriate for procuring assets that are too expensive to fund with current receipts in any one year, but with useful lives too short (less than ten years) to finance with long-term debt. Leasing will be considered for assets that will be needed for only short periods of time, or which are subject to rapid technological obsolescence.

b. Long Term Debt

- 1 **General Obligation (GO) Bonds:** General obligation bonds are general obligations of the Town with a full faith and credit pledge, payable from general (property) taxes, subject to certain constitutional and statutory limitations. Bonding should be used to finance capital improvements and long-term assets, or other costs associated with the financing of a project, which has been determined to be beneficial to the citizens of the Town. Repayment sources may include but are not limited to tax revenues, project revenue, Federal and State grants, and special assessments. The Town will consider all repayment sources prior to the issuance of debt.
- 2 **Revenue Bonds:** The Town may also consider revenue or special assessment bonds. To enhance security when issuing revenue bonds, the Town may issue "double-barreled" bonds which are secured both by a dedicated revenue stream and by the general taxing powers the Town. The Town will strictly adhere to all provisions of the bond resolution or trust indenture including but not limited to covenants, additional bond tests, and operation and maintenance requirements. The Town, with the assistance of its Financial Advisor, will analyze the feasibility and cost benefits prior to the issuance of such bonds.
- 3 **Tax Increment Financing (TIF):** The Town may sponsor conduit financings for physical projects in areas designated for redevelopment, urban renewal, or municipal development that have a general public purpose and are consistent with the Town's overall service and policy objectives. Debt service on TIF bonds will be derived from the incremental tax revenues generated as a result of economic growth in the TIF District. TIF Bonds are Special Revenue Bonds; the Town will have no obligation for the repayment of these bonds.

Credit Enhancement: The Town shall seek to use credit enhancement (letters of credit, bond insurance, surety bonds etc.) when such credit enhancement improves marketability and cost-effectiveness.

RESTRICTION/LIMITATIONS ON DEBT ISSUANCE

- This policy prohibits the issuance of debt for current operations.
- This policy prohibits the issuance of derivative securities.
- The Town will not issue Pension Obligation bonds.

STRUCTURAL FEATURES OF DEBT

Overview: The Town plans long-term and short-term debt issuances to finance its capital improvement program based on cash flow needs, sources of revenue, construction periods, available financing instruments and market conditions.

When establishing the structure of a bond issue, a mill rate impact analysis will be performed. The analysis will incorporate the current debt structure and project the costs of various financing options available to the Town.

Debt Repayment: Generally, borrowings by the Town should be of a duration that does not exceed the economic life of the improvement and in no event exceed 20 years (30 years for school and sewer projects) in accordance with Connecticut General Statutes. The Town will repay, a minimum of, 50% of the Town's overall outstanding debt within ten years.

CREDIT OBJECTIVES

Analysts at rating agencies, underwriting firms and institutional investors use debt ratios to analyze debt levels. However, the Town recognizes that ratios are one of many factors that influence bond ratings. Commonly used debt ratios of comparable sized Towns and with comparable ratings will provide one measure against which the Town can assess its debt burden. Another method is to compare ourselves against ratios developed by rating agencies, such as, *Standard & Poor's* and *Moody's Investors Service*. The analysis is not intended to determine the Town's total financial position or to project the rating level of the Town.

The Town will use the following debt ratios when reviewing the Town's capacity to issue debt:

Debt Burden Indicator	Definition	Standard & Poor's
Debt as a percentage of Full Valuation	A ratio of total direct debt to the full valuation of the most recent completed grand list.	<ul style="list-style-type: none"> • Low - Below 3% • Moderate - 3%-6% • Moderately High - 6%-10% • High - Above 10%
Debt per capita	This ratio measures net debt to population.	<ul style="list-style-type: none"> • Very Low - Below \$1,000 • Low - \$1,000-\$2,000 • Moderate - \$2,000-\$5,000 • High - Above \$5,000
Debt Service Indicators		
Annual net debt service as a percentage of total General Fund expenditures (including transfers out)	The portion of operating expenditures used for debt service costs	<ul style="list-style-type: none"> • Low - Below 8% • Moderate - 8%-15% • Elevated - 15%-20% • High - Above 25%
A retirement rate of 50% of the Town's indebtedness within 10 years		Median: Greater than 50%

Overlapping Debt

- There are no portions of the debt of other governmental entities that are payable in whole or in part by the Town (e.g. Regional School District Debt).

METHOD OF SALE

Competitive Sale: The Town, as a matter of policy, will issue its debt obligations in a competitive sale when deemed cost effective and advantageous to do so .

Negotiated Sale: There may be instances where it is determined by the Director of Finance and approved by the Board of Finance that certain complexities of a bond financing or market conditions are such that it may be beneficial to the Town to issue its debt obligations through a negotiated sale. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program. Selection of the underwriting team shall be made pursuant to selection procedures set forth in this debt policy under "Selection of Consultants and Service Providers".

Private Placement: When determined appropriate by the Finance Director and approved by the Board of Finance, the Town may elect to sell its debt obligations through a private placement of limited public offering. Selection of a placement agent shall be made pursuant to selection procedures developed by the Finance Director.

DISCLOSURE

Rating Agencies: Full disclosure of the Town's financial position, current operations, and local economy shall be made to the rating agencies; an open line of communication should also be maintained with the agencies. Town staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies. A credit rating will be sought from Standard & Poor's and others as recommended by the Finance Director in conjunction with the Town's financial advisor.

POST ISSUANCE TAX & SECURITY LAW COMPLIANCE

The Finance Director will develop and implement written post-issuance compliance procedures that will enable the Town to adequately safeguard against post-issuance violations that may result in the loss of the tax-exempt status of their bonds.

Arbitrage: The Finance Director shall establish a system of record keeping and reporting to meet the bond gross proceeds expenditure tests and the arbitrage rebate compliance requirement of the federal tax code. This effort shall include tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting any rebateable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the Town's outstanding debt issues. Additionally, general financial reporting and certification requirements embodied in bond covenants shall be monitored to ensure that all covenants are complied with.

Continuing Disclosure: The Town is committed to continuing disclosure of financial and pertinent credit information relevant to the Town's outstanding securities and will abide by the Provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure and its executed Continuing Disclosure Agreements.

SELECTION OF CONSULTANTS AND SERVICE PROVIDERS

The Town employs outside financial specialists to assist it in developing a bond issuance strategy preparing bond documents and marketing bonds to investors. The key players in the Town's financing transactions include its financial representatives (the Finance Director and staff, among others), Bond Counsel and a Financial Advisor. Other outside firms, such as those providing paying agent/registrars, trustee, credit enhancement, auditing, or printing services, are retained as required.

The Town's Finance Director shall be responsible for establishing a solicitation and selection process for securing professional services that are required to develop and implement the Town's debt program. Goals of the solicitation and selection process shall include encouraging participation from qualified service providers, both local and national, and securing services at competitive prices. The Finance Director shall periodically seek requests for qualifications for bond counsel and financial advisory services based on need.

INVESTMENT OF PROCEEDS

The investment of idle funds must be in conformance with federal laws, state statutes, the Town Charter, and internal policies and procedures.

SAFETY FIRST

Besides legality, the Town's foremost investment objective will be safety of principal.

LIQUIDITY

The Town will maintain sufficient liquidity to meet project expenditure requirements.

REVIEW OF THIS POLICY

This policy shall be reviewed no later than a bi-annual basis and modified as necessary.

Approval:

APPROVED BY BOARD OF FINANCE: 12-17-2012

APPROVED BY TOWN COUNCIL: XX-XX-XX



ADVISORY

A GFOA *advisory* identifies specific policies and procedures necessary to minimize a government's exposure to potential loss in connection with its financial management activities. It is *not* to be interpreted as GFOA sanctioning the underlying activity that gives rise to the exposure.

**Use of Debt-Related Derivatives Products and the Development of a Derivatives Policy
(2003, 2005 and 2010) (DEBT)**

Background. In recent years, the use of derivative products became more prevalent in the debt and risk management programs of state and local governments and other issuing authorities. A derivative is a financial instrument created from or whose value depends upon (is derived from) the value of one or more separate assets or indices of asset values. As used in public finance, derivatives may take the form of interest rate swaps, futures and options contracts, options on swaps and other hedging mechanisms such as caps, floors, collars and rate locks.

Derivative products can be important interest rate management tools that, when used properly, can increase a governmental entity's financial flexibility, provide opportunities for interest rate savings, alter the pattern of debt service payments, create variable rate exposure, change variable rate payments to fixed rate and otherwise limit or hedge variable rate payments. Recent market experience has also shown, however, that derivatives, when used to hedge a particular bond issue, can limit an issuer's flexibility with respect to such bond issue.

Issuers are cautioned that recent economic turmoil and associated credit downgrades have resulted in many collateral calls and, in some cases, involuntary terminations at severe cost to governmental entities.

Governmental issuers must learn about and understand the potential risks and rewards of derivative products in order to evaluate them properly as financing tools. Issuers must understand fully the characteristics of derivative instruments, have the ability to determine a fair market price and be aware of the legal, accounting, credit and disclosure issues involved. These instruments should not be used for speculation, but only to manage risks associated with an issuer's assets or liabilities and only in conformity with financial policies that reflect the risk tolerances and management capabilities of the issuer.

Advisory. The Government Finance Officers Association (GFOA) advises that state and local governments exercise great caution in the use of derivative instruments and use them only when the issuers have developed:

1. A sufficient understanding of the products. The GFOA encourages all financial officers to learn about the potential risks and benefits of using derivatives. A decision whether or not to use derivatives should be made on an informed basis. Training is essential both in evaluating the use of derivatives and in managing their use.
2. The internal staffing and expertise to manage, monitor and evaluate these products properly, either on their own or in combination with a swap or financial advisor, tax counsel and/or monitor. Issuers must have in place:
 - a. Methods for measuring, evaluating, monitoring and managing risks associated with derivative products, including:
 - i. Basis risk – the mismatch between variable rate debt service and the variable rate index used to determine swap payments. This risk can be managed through the creation of an interest rate reserve fund or conservative budgeting strategies.

- ii. Tax risk - the risk created by potential tax events that could affect swap payments. Careful attention should be paid to tax event triggers in the underlying swap documents.
 - iii. Interest rate risk – how the movement of interest rates over time affects the market value of the instrument.
 - iv. Collateralization risk – the risk that market movements or an issuer downgrade will cause the market value of the swap to decrease enough that the issuer has to post collateral under a Credit Support Annex (CSA). Issuers should be mindful of the different rating standards applied to corporate and municipal credits when evaluating collateralization thresholds and understand that this is a negotiable requirement. Termination and collateral requirements should reflect relative comparable credit strengths of the parties determined on a corporate equivalent or global rating basis.
 - v. Counterparty risk – the risk that the counterparty fails to make required payments, experiences rating downgrades, or files for bankruptcy protection. This is particularly important if an issuer has more than one swap with a counterparty and the documents contain cross-default provisions. This can be addressed through the establishment of ratings thresholds, guidelines for exposure levels and, particularly, collateralization requirements.
 - vi. Termination risk – the need to terminate the transaction in a market that dictates a termination payment by one of the counterparties. Market practice allows governmental issuers to limit the instances in which this can occur. This risk can also be mitigated through the identification of revenue sources for and budgeting of potential termination payments, structuring the swap so that refunding bond proceeds can be used for termination payments and subordinating the lien status of potential payments. Issuers are cautioned to ensure that counterparties do not impose excessive or unnecessary fees at termination in excess of amounts allowed for in the swap documents.
 - vii. Market-access risk – the risk that the markets may be closed or that an issuer may not be able to enter the credit markets due to its own credit quality deteriorating or that credit may become more costly. For example, to complete a derivative's objective, a new money bond issuance or a refunding may be planned in the future. If at that time the markets are not functioning or an issuer is unable to enter the credit markets, expected cost savings may not be realized while the issuer will continue to be subject to its obligations required by the derivative contract.
 - viii. Rollover or amortization risk – the mismatch of the maturity of the swap and the maturity of the underlying bonds or a mismatch in the amortization of the swap and bonds. This should be eliminated by making the maturity and amortization of the swap coterminous with those of the bonds.
 - ix. Credit risk – the occurrence of an event modifying the credit rating of the issuer or its counterparty. This should be addressed through minimizing cross defaults and the favorable negotiation of credit event triggers in the underlying documentation.
 - b. Methods for selecting and procuring derivative products, including when competitive bids and negotiated transactions are warranted, and knowledge of pricing conventions and documentation standards.
 - c. Guidelines governing the proper disclosure of material information relating to executed derivative products to the issuer's governing body, in financial statements, to the rating agencies, to investors in connection with bond offerings, and through secondary market disclosure. Internal disclosure should include information about legal authority, risks, guidelines and market value. The Official Statement and secondary market disclosure should comport with current market practice.
 - d. Procedures and personnel responsible for internally managing and monitoring the issuer's (i) obligations (also known as operational risk), such as monitoring rates, calculating and making payments, managing collateral, and budgeting and accounting for derivatives appropriately and (ii) exposure, such as counterparty credit, collateral posting levels, variable rate exposure levels and basis risk. Pursuant to applicable accounting requirements, these procedures must include the development of a methodology for providing periodic termination value analyses.
3. A comprehensive derivatives policy. A derivatives policy should include:

- a. Evidence of clear legal authorization to enter into such arrangements and guidelines for how derivative products fit within the overall debt management program.
- b. A list of the types of derivative products that may be used or are prohibited.
- c. The conditions under which these types of products can be utilized (*i.e.* bidding procedures, minimum benefit thresholds, terms of master agreements).
- d. The maximum amount of derivatives contracts, or a means of determining such amount, *e.g.*, by reference to floating rate assets.
- e. Guidelines for selecting counterparties of high credit quality and addressing the risks presented under item 2 above.

The GFOA recommends that all derivative transactions be documented using standardized forms, as standardized terms make it easier for market participants to analyze transactions, which minimizes costs. "Documentation in the municipal swap market is almost universally accomplished through the negotiation and execution of the forms of documents published by the International Swaps and Derivatives Associations, Inc. (ISDA)."¹ The GFOA also advises that many provisions in such forms are subject to negotiation and therefore recommends that finance officers have advisors familiar with such forms and amend ISDA documents as changing market conditions warrant, provided that such changes benefit the issuer. Specifically, the provision of collateral by one or both parties to a swap under certain circumstances is determined at the time the swap is executed. The form of that potential collateral may also be decided at the point of execution or may be postponed until such collateral is required. Collateral is identified in a Credit Support Annex (CSA), and while it will add legal costs to the original transaction and has the potential of never being used, the GFOA recommends it be completed simultaneous with the execution of the swap to avoid having to negotiate collateral arrangements under distressed circumstances.

Once an issuer has adopted a derivatives policy and executed a derivatives transaction, the issuer should monitor and, to the extent possible, take action to limit its exposure to the risks described above. Because opportunities in the derivatives market change frequently, the GFOA encourages finance officers to keep abreast of such market conditions.

It is also recommended that issuers read and understand the most current material regarding the effect of derivatives on ratings prior to execution of a derivatives contract.

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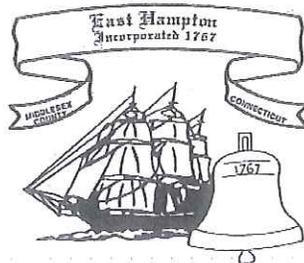
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Approved by the GFOA's Executive Board, March 5, 2010.

¹ National Federation of Municipal Analysts, *White Paper on Disclosure for Swaps* (February 2004)

TOWN OF
EAST HAMPTON
CONNECTICUT

Board of Finance
2013-2014 Recommended Budget
For
Town Council



20 East High Street
East Hampton, CT 06424
860.267.7548
www.easthamptonct.gov

**TOWN OF EAST HAMPTON
BOARD OF FINANCE PROPOSED BUDGET**

July 1, 2013 - June 30, 2014

	Actual 2010-2011	Actual 2011-2012	Approved 2012-2013	Board of Finance Proposed 2013-2014	INCREASE/ (DECREASE)	Percent Change
EXPENDITURES						
EDUCATION	\$ 26,520,951	\$ 26,672,314	\$ 26,710,840	\$ 27,780,310	\$ 1,069,470	4.00%
TOWN OPERATIONS						
ADMINISTRATION & FINANCE	3,375,948	3,162,089	3,512,564	3,737,674	225,110	6.41%
PUBLIC SAFETY	2,170,438	2,110,854	2,175,774	2,213,807	38,033	1.75%
HEALTH & HUMAN SERVICES	361,852	373,904	389,287	393,244	3,957	1.02%
CULTURE & RECREATION	917,464	918,883	962,977	975,526	12,549	1.30%
REGULATORY	430,429	359,986	380,572	368,664	(11,908)	-3.13%
PUBLIC WORKS	1,901,286	1,938,654	2,014,207	2,036,004	21,797	1.08%
TRANSFERS TO OTHER FUNDS						
VILLAGE WATER SYSTEM	45,000	16,000	23,532	23,532	-	0.00%
OTHER FUNDS	30,000	30,000	30,000	35,000	5,000	16.67%
CAPITAL IMPROVEMENT	1,089,500	1,354,990	949,472	811,384	(138,088)	-14.54%
CAPITAL PROJECTS FUND		200,080				
DEBT SERVICE	1,661,969	1,175,897	1,196,537	1,102,277	(94,260)	-7.88%
TOTAL EXPENDITURES	\$ 38,504,836	\$ 38,313,651	\$ 38,345,762	\$ 39,477,422	\$ 1,131,660	2.95%
REVENUES						
FEDERAL REVENUES	\$ 1,086,046	\$ 99,691	\$ -	\$ -	\$ -	
GRANTS - STATE OF CT (EDUCATION)	7,891,987	8,340,179	7,975,686	7,964,104	(11,582)	-0.15%
GRANTS - STATE OF CT (OTHER)	399,222	525,859	441,514	528,150	86,636	19.62%
LICENSES, PERMITS AND FEES	338,196	398,988	382,720	391,980	9,260	2.42%
OTHER REVENUE	145,851	82,441	72,454	74,895	2,441	3.37%
INVESTMENT INCOME	31,700	25,612	45,000	32,000	(13,000)	-28.89%
PROPERTY TAX REVENUE (PRIOR YEARS)	901,272	1,122,700	822,700	870,700	48,000	5.83%
TRANSFERS FROM OTHER FUNDS	22,646	23,212	23,099	23,792	693	3.00%
VOLUNTEER TAX ABATEMENT		-	(64,000)	(64,000)	-	0.00%
TOTAL REVENUES (Before taxes & fund balance)	\$ 10,816,920	\$ 10,618,682	\$ 9,699,173	\$ 9,821,621	\$ 122,448	1.26%
FUND BALANCE						
PROPERTY TAXES (CURRENT)	\$ 27,955,163	\$ 27,925,819	\$ 28,646,589	\$ 29,655,801		
TOTAL REVENUES	\$ 38,772,083	\$ 38,544,501	\$ 38,345,762	\$ 39,477,422	\$ 1,131,660	2.95%
NET GRAND LIST	\$ 1,111,118,673	\$ 1,114,684,030	\$ 1,127,814,297	\$ 1,128,365,076		
VALUE OF MILL	\$ 1,091,119	\$ 1,094,620	\$ 1,103,151	\$ 1,104,669		
ESTIMATED COLLECTION RATE	98.20%	98.20%	97.90%	97.90%		
CALCULATED MILL RATE	25.81	25.68	25.97	26.85	0.88	3.39%

TOWN OF EAST HAMPTON
JULY 1, 2013 - JUNE 30, 2014
ESTIMATED REVENUES

	Actual 2009-2010	Actual 2010-2011	Actual 2011-2012	Budget 2012-2013	Budget 2013-2014	Increase/ (Decrease)	Percent Change
FEDERAL GRANTS							
ARRA - Fiscal Stabilization (ECS)	\$ 1,083,643	\$ 1,083,643	\$ -	-	\$ -	-	-
FEMA	-	-	90,337	-	-	-	-
Miscellaneous	-	2,403	9,354	-	-	-	-
Total	1,083,643	1,086,046	99,691	-	-	-	-
EDUCATION GRANTS - STATE							
Education Cost Sharing	6,490,084	6,520,991	7,559,422	7,665,929	7,780,556	114,627	1.50%
Special Education Excess Cost	606,440	794,490	464,501	-	-	-	-
School Transportation	141,770	126,476	119,654	120,229	-	(120,229)	-100.00%
Adult Education	25,154	22,589	22,972	23,557	20,131	(3,426)	-14.54%
Board of Education Services for the Blind	-	-	-	-	-	-	-
Principal/Interest Subsidy - Bonds	606,516	427,441	173,630	165,971	163,417	(2,554)	-1.54%
Total	7,869,964	7,891,987	8,340,179	7,975,686	7,964,104	(11,582)	-0.15%
GENERAL OPERATING GRANTS - STATE							
State Owned Property	121,788	117,342	112,810	112,631	-	(112,631)	-100.00%
Mashantucket Pequot/Mohegan grant	56,416	55,496	63,163	56,034	-	(56,034)	-100.00%
Municipal Hold Harmless grant (New for 2014)	-	-	-	-	105,592	105,592	-
Disability Tax Relief	1,008	1,067	1,207	1,200	1,200	-	0.00%
Elderly Tax Relief (Circuit Breaker)	50,612	46,443	46,174	46,166	45,000	(1,166)	-2.53%
Veterans Exemptions	4,635	4,593	5,266	4,100	4,500	400	9.76%
Manufacturer Equipment	21,233	15,087	-	15,087	-	(15,087)	-100.00%
Boat Registrations	6,855	10,827	-	-	-	-	-
Youth & Family Services	16,100	16,101	16,101	16,100	16,100	-	0.00%
State Infrastructure (LOCIP)	139,428	94,898	97,371	97,371	-	(97,371)	-100.00%
Town Aid Road	-	-	-	-	323,198	323,198	-
Property Tax Relief - Municipal Revenue Share	-	-	148,696	60,265	-	(60,265)	-100.00%
Telephone Access Line Share	42,704	31,927	34,151	31,900	31,900	-	0.00%
Civil Preparedness	-	4,431	-	-	-	-	-
Miscellaneous	1,642	1,010	920	660	660	-	0.00%
Total	462,421	399,222	525,859	441,514	528,150	86,636	19.62%
TOTAL STATE FUNDING	8,332,385	8,291,209	8,866,038	8,417,200	8,492,254	75,054	0.89%
LICENSES, FEES AND PERMITS							
Town Clerk's Office	232,658	198,148	211,333	222,700	224,200	1,500	0.67%
Police Department	7,051	8,087	9,036	6,800	7,300	500	7.35%
Finance & Accounting (Tax & Assessing)	3,513	2,801	1,873	1,700	1,700	-	0.00%
Blasting Permits	240	30	180	240	240	-	0.00%
Animal Control Fees	1,085	880	715	540	600	60	11.11%
Building Department	125,238	78,450	87,203	90,240	90,940	700	0.78%
Planning/Zoning Commission	38,520	5,555	17,415	5,000	5,000	-	0.00%
Zoning Board of Appeals	340	500	700	200	200	-	0.00%
Inland Wetlands Commission	3,820	1,831	5,130	1,500	1,500	-	0.00%
Public Works Department	750	80	887	-	-	-	-
Library Fees	2,438	3,311	2,573	3,000	3,000	-	0.00%
Middle Haddam Hist. District	200	425	275	300	300	-	0.00%
Park & Recreation	-	-	-	-	-	-	-
CRRA recycle rebate	-	-	-	-	9,000	9,000	-
Transfer Station Fees	32,551	38,098	61,668	50,500	48,000	(2,500)	-4.95%
Total	448,404	338,196	398,988	382,720	391,980	9,260	2.42%

TOWN OF EAST HAMPTON
 JULY 1, 2013 - JUNE 30, 2014
 ESTIMATED REVENUES

	Actual 2009-2010	Actual 2010-2011	Actual 2011-2012	Budget 2012-2013	Budget 2013-2014	Increase/ (Decrease)	Percent Change
OTHER REVENUE							
Tuition	12,423	-	-	2,559	-	(2,559)	-100.00%
Use of Schools	-	-	-	-	-	-	-
Finance Department	1,078	13,932	4,330	510	510	-	0.00%
Building Department	5	5	-	25	25	-	0.00%
Community Room Rental	450	550	350	400	400	-	0.00%
Housing Authority Reimbursement	19,981	12,161	12,058	11,800	11,800	-	0.00%
Sears Park Stickers	14,122	16,213	17,131	16,000	16,000	-	0.00%
Pavilion Rental	850	525	550	600	600	-	0.00%
Library Receipts	13,537	13,492	10,958	12,000	12,000	-	0.00%
Cell tower rent	24,842	24,840	25,151	28,560	28,560	-	0.00%
Fire Marshall	10	50	60	-	-	-	-
Insurance reimbursement	-	23,431	1,652	-	-	-	-
Sale of equipment	-	19,021	-	-	-	-	-
Miscellaneous	4,246	21,631	10,201	-	5,000	5,000	-
Total	91,544	145,851	82,441	72,454	74,895	2,441	3.37%
INTEREST INCOME							
	79,277	31,700	25,612	45,000	32,000	(13,000)	-28.89%
PROPERTY TAX REVENUE - OTHER							
Supp. Motor Vehicle	173,643	189,202	215,596	190,000	190,000	-	0.00%
Back Taxes	285,504	460,019	587,999	415,000	443,000	28,000	6.75%
Interest on back taxes	170,170	248,403	314,493	215,000	235,000	20,000	9.30%
Lien Fees	2,869	3,648	4,612	2,700	2,700	-	0.00%
Total	632,186	901,272	1,122,700	822,700	870,700	48,000	5.83%
TRANSFERS FROM OTHER FUNDS							
W.P.C.A. / Joint Facilities (Interfund Service Charge)	21,986	22,646	23,212	23,099	23,792	693	3.00%
Total	21,986	22,646	23,212	23,099	23,792	693	3.00%
VOLUNTEER TAX ABATEMENT							
	\$0	\$0	\$0	(\$64,000)	(\$64,000)	-	0.00%
FUND BALANCE DESIGNATION							
	-	-	-	-	-	-	-
CURRENT TAXES							
	26,727,834	27,955,163	27,925,819	28,646,589	29,655,801	1,009,212	3.52%
TOTAL REVENUES							
	\$ 37,417,259	\$ 38,772,083	\$ 38,544,501	\$ 38,345,762	\$ 39,477,422	1,131,660	2.95%

TOWN OF EAST HAMPTON
 BOARD OF FINANCE PROPOSED BUDGET
 JULY 1, 2013 - JUNE 30, 2014

2013-2014

FY 2013 to FY 2014

	ACTUAL 2010-2011	ACTUAL 2011-2012	BUDGET 2012-2013	Department Request 2013-2014	Town Manager Proposed 2013-2014	Board of Finance Approved Changes	Board of Finance Proposed 2013-2014	Increase (Decrease)	Percent Change
ADMINISTRATION & FINANCE									
TOWN MANAGER'S DEPARTMENT	\$ 366,889	\$ 264,039	\$ 295,681	\$ 329,684	\$ 329,684	\$ (10,000)	\$ 319,684	\$ 24,003	8.12%
COUNCIL - SPECIAL PROGRAMS	15,123	31,502	19,657	24,957	24,957		24,957	5,300	26.96%
FACILITIES ADMINISTRATOR	112,766	114,411	114,114	96,963	96,963		96,963	(17,151)	-15.03%
LEGAL DEFENSE & FEES	225,390	174,309	125,000	150,000	150,000		150,000	25,000	20.00%
TOWN HALL & HUMAN SVS. ANNEX	282,560	254,871	257,167	266,717	266,717		266,717	9,550	3.71%
FINANCE AND ACCOUNTING	439,395	406,170	413,910	416,805	416,805		416,805	2,895	0.70%
COLLECTOR OF REVENUE	154,696	152,990	170,177	170,302	161,690		161,690	(8,487)	-4.99%
ASSESSOR'S OFFICE	158,553	162,576	174,929	177,801	177,801		177,801	2,872	1.64%
BOARD OF ASSESSMENT APPEALS	2,061	754	1,177	1,282	1,282		1,282	105	8.92%
TOWN CLERK'S OFFICE	178,864	168,724	180,879	175,863	175,663		175,663	(5,216)	-2.88%
REGISTRARS/ELECTIONS	39,491	33,865	50,347	44,633	44,633		44,633	(5,714)	-11.35%
PROBATE COURT	7,680	12,906	13,224	13,224	13,957		13,957	733	5.54%
GENERAL INSURANCE	222,305	221,078	253,000	282,300	282,300		282,300	29,300	11.58%
EMPLOYEE BENEFITS	1,170,174	1,107,277	1,319,284	1,477,820	1,457,820	10,000	1,467,820	148,536	11.26%
INFORMATION TECHNOLOGY	-	56,617	64,518	72,402	72,402		72,402	7,884	12.22%
CONTINGENCY	-	-	59,500	75,000	65,000		65,000	5,500	9.24%
TOTAL	3,375,948	3,162,089	3,512,564	3,775,753	3,737,674	0	3,737,674	225,110	6.41%
PUBLIC SAFETY									
POLICE ADMINISTRATION	309,663	290,747	290,959	290,921	285,521		285,521	(5,438)	-1.87%
POLICE REGULAR PATROL	1,324,568	1,314,662	1,329,877	1,343,333	1,343,333		1,343,333	13,456	1.01%
LAKE PATROL/BOAT REGISTRATIONS	4,931	2,472	3,706	3,706	3,706		3,706	-	0.00%
ANIMAL CONTROL	61,830	40,888	39,856	39,556	39,556		39,556	(300)	-0.75%
STREET LIGHTING	56,920	56,091	60,000	59,000	59,000		59,000	(1,000)	-1.67%
FIRE DEPARTMENT	228,493	231,024	251,759	302,395	277,818		277,818	26,059	10.35%
FIRE MARSHAL	41,641	37,178	43,373	57,590	46,455		46,455	3,082	7.11%
TOWN CENTER FIRE SYSTEM	13,832	9,105	10,260	14,150	14,150		14,150	3,890	37.91%
E. HAMPTON AMBULANCE ASSOC.	4,969	3,142	6,910	6,910	6,910		6,910	-	0.00%
CIVIL PREPAREDNESS / L.E.P.C	7,634	8,550	11,550	28,600	16,200		16,200	4,650	40.26%
COMMUNICATIONS SYSTEM	115,957	116,995	127,524	121,158	121,158		121,158	(6,366)	-4.99%
TOTAL	2,170,438	2,110,854	2,175,774	2,267,319	2,213,807	-	2,213,807	38,033	1.75%
HEALTH AND HUMAN SERVICES									
HEALTH DEPARTMENT	101,480	105,320	107,242	110,407	110,407		110,407	3,165	2.95%
HUMAN SERVICES	108,557	106,637	112,033	110,993	110,993		110,993	(1,040)	-0.93%
TRANSPORTATION	52,600	52,600	54,100	54,100	54,100		54,100	-	0.00%
SENIOR CENTER	95,445	105,147	107,112	138,857	108,244		108,244	1,132	1.06%
COMMUNITY SERVICES	3,770	4,200	3,800	4,500	4,500		4,500	700	18.42%
CEMETERY CARE	-	-	5,000	5,000	5,000		5,000	-	0.00%
TOTAL	361,852	373,904	389,287	423,857	393,244	-	393,244	3,957	1.02%
CULTURE AND RECREATION									
PARK & RECREATION	345,030	355,488	361,069	372,666	371,516		371,516	10,447	2.89%
E H COMMUNITY CENTER	152,563	150,108	162,815	162,637	158,637		158,637	(4,178)	-2.57%
E HAMPTON PUBLIC LIBRARY	412,870	406,287	429,093	433,023	433,023		433,023	3,930	0.92%
MIDDLE HADDAM LIBRARY	7,000	7,000	10,000	20,000	10,000		10,000	-	0.00%
ARTS & CULTURAL COMMISSION (New)	-	-	-	2,350	2,350		2,350	2,350	
TOTAL	917,464	918,883	962,977	990,676	975,526	-	975,526	12,549	1.30%

TOWN OF EAST HAMPTON
 BOARD OF FINANCE PROPOSED BUDGET
 JULY 1, 2013 - JUNE 30, 2014

2013-2014

					2013-2014		FY 2013 to FY 2014		
	ACTUAL 2010-2011	ACTUAL 2011-2012	BUDGET 2012-2013	Department Request 2013-2014	Town Manager Proposed 2013-2014	Board of Finance Approved Changes	Board of Finance Proposed 2013-2014	Increase (Decrease)	Percent Change
REGULATORY									
PLANNING, ZONING & BUILDING	414,924	341,074	347,692	335,018	332,218		332,218	(15,474)	-4.45%
ECONOMIC DEVELOPMENT	3,871	10,536	11,827	10,827	10,827		10,827	(1,000)	-8.46%
CONSERVATION AND LAKE COMMISSION	9,697	5,681	16,242	28,682	20,682		20,682	4,440	27.34%
REDEVELOPMENT AGENCY	857	1,064	3,041	3,167	3,167		3,167	126	4.14%
MIDDLE HADDAM HISTORIC DISTRICT	1,081	1,631	1,770	1,770	1,770		1,770	-	0.00%
TOTAL	430,429	359,986	380,572	379,464	368,664	-	368,664	(11,908)	-3.13%
PUBLIC WORKS									
PUBLIC WORK DEPARTMENT	1,236,269	1,189,965	1,243,152	1,265,670	1,265,670		1,265,670	22,518	1.81%
PUBLIC WORKS - ENGINEERING	32,981	69,006	60,000	60,000	60,000		60,000	-	0.00%
TOWNWIDE MOTOR FUEL	135,958	157,955	188,231	187,880	187,880		187,880	(351)	-0.19%
TOWN GARAGE	43,421	50,881	57,406	59,621	59,731		59,731	2,325	4.05%
ROAD MATERIALS	298,856	334,865	308,000	395,500	325,500		325,500	17,500	5.68%
TRANSFER STATION	142,612	124,722	146,118	134,823	134,823		134,823	(11,295)	-7.73%
SEPTAGE DISPOSAL	11,188	11,260	11,300	2,200	2,400		2,400	(8,900)	-78.76%
TOTAL	1,901,286	1,938,654	2,014,207	2,105,694	2,036,004	0	2,036,004	21,797	1.08%
TOTAL OPERATING BUDGET (TOWN)	9,157,417	8,864,370	9,435,381	9,942,763	9,724,919	0	9,724,919	289,538	3.07%
DEBT SERVICE	1,661,969	1,175,897	1,196,537	1,102,277	1,102,277	-	1,102,277	(94,260)	-7.88%
CONTRIBUTIONS TO OTHER FUNDS									
TRANSFER TO CAPITAL RESERVE FUND	1,089,500	1,354,990	949,472	1,100,000	811,384		811,384	(138,088)	-14.54%
TRANSFER TO WATER FUND	45,000	16,000	23,532	23,532	23,532		23,532	-	0.00%
TRANSFER TO CAPITAL PROJECTS FUND	-	200,080	-	-	-		-	-	-
TRANSFER TO COMP. ABSENCES FUND	30,000	30,000	30,000	35,000	35,000		35,000	5,000	16.67%
TOTAL	1,164,500	1,601,070	1,003,004	1,158,532	869,916	0	869,916	(133,088)	-13.27%
EDUCATION	26,520,951	26,672,314	26,710,840	28,096,310	28,096,310	(316,000)	27,780,310	1,069,470	4.00%
TOTAL	\$ 38,504,836	\$ 38,313,651	\$ 38,345,762	\$ 40,299,882	\$ 39,793,422	(316,000)	\$ 39,477,422	1,131,660	2.95%

**TOWN OF EAST HAMPTON
PROPOSED CAPITAL PLAN
FISCAL YEAR 2013-2014**

CATEGORY	Department	2013-2014 Department Request	2013-2014 Manager, Capital Committee & BOF Approved
Soccer Field drainage improvements (H.S.)	Parks & Recreation	\$ 15,000	\$ 15,000
Middle Haddam Pocket Park	Parks & Recreation	15,500	11,625
Sears Park Tennis Court Repairs	Parks & Recreation	9,000	9,000
61" Scag Mower	Parks & Recreation	12,000	-
Replace Ford tractor	Parks & Recreation	21,000	21,000
Memorial School drainage	Memorial School	20,000	20,000
Track resurface sinking fund	High School	20,000	10,000
Tennis court repairs	High School	8,000	8,000
Athletic field improvements	Middle School	18,500	15,000
Refinish gym floor	Memorial School	25,000	14,000
Playground	Memorial School	30,000	-
Bathroom Partitions	Memorial School	20,000	12,500
Window Replacement	BOE Central Office	22,400	-
Emergency Generator	BOE Central Office	42,000	-
Repair to school parking lots	Board of Education	20,000	-
Board of Education Computer Lease (Phase II)	Board of Education	25,950	25,950
Wireless Infrastructure	Center School	57,960	-
Wireless Infrastructure	Memorial School	78,133	-
Fiber Optic (One-Time Capital Lease Cost)	Board of Education	500,000	33,000
Network Upgrades (Switches & Software)	Board of Education	87,533	87,533
Upgrade servers / printers	General Government	10,000	10,000
Sinking fund for debt service	Town Wide	200,000	200,000
Revaluation	Tax Assessor	35,000	35,000
	Contingency		17,500
Cemetery Improvement Sinking	General Government	20,000	20,000
Company #1 & 3 Vehicle Exhaust system	Fire Department	15,000	-
Kitchen renovations Company #1	Fire Department	55,000	-
Cruisers and Conversion Equip.	Police Department	65,000	32,500
Sinking fund for Fire vehicle repairs	Fire Department	30,000	20,000
Rescue Boat Replacement	Police	10,000	10,000
AFIS Fingerprint Identification System	Police	21,000	15,200
Trailer	Emergency Preparedness	10,000	-
Turnout gear	Fire Department	18,000	18,000
Fire Department technology upgrades	Fire Department	12,675	9,975
Sidewalk repair and replacement	Public Works	40,000	40,000
Install infiltration catch basins in lake watershed	Public Works	40,000	30,000
Road Repair / Maintenance	Public Works	150,000	150,000
Vehicle equipment sinking fund	Public Works	50,000	-
Retrofit trucks with ground speed controllers	Public Works	20,000	10,000
Roadside Mower with flail mower	Public Works	115,000	115,000
Replace infared cameras	Fire Department	22,000	-
Air Bottles	Fire Department	14,000	14,000
TOTAL CAPITAL PROGRAM		\$ 2,000,651	\$ 1,029,783
	Bonding (Fiber)	500,000	-
	General Fund Contribution	1,282,252	811,384
	Grants (LoCIP)	152,995	152,995
	Residual project balances	65,404	65,404
		<u>\$ 2,000,651</u>	<u>\$ 1,029,783</u>

East Hampton Public Schools
2013-14 Budget

	2012-2013 Final	2013-2014 Board of Ed Approved	Change From 12-13	% Change
5111 Certified Salaries	13,409,155	13,843,560	434,405	3.24%
5112 Classified Salaries	3,439,258	3,578,065	138,807	4.04%
5210 Medical Insurance	3,884,635	3,881,376	(3,259)	-0.08%
5212 OPEB Contribution	0	0	0	
5213 Life Insurance	57,600	57,600	0	0.00%
5220 Social Security	232,168	241,201	9,033	3.89%
5221 Medicare	219,092	238,270	19,178	8.75%
5230 Pension	325,000	349,375	24,375	7.50%
5250 Unemployment Comp	40,000	49,260	9,260	23.15%
5260 Worker's Compensation	101,000	120,818	19,818	19.62%
5290 Other Employee Benefits	1,980	1,980	0	0.00%
5316 Computer Consulting Serv	100,202	101,170	968	0.97%
5319 Meetings/Conf/Training	23,800	43,800	20,000	84.03%
5330 Professional/Tech. Services	703,081	703,081	0	0.00%
5410 Public Utilities	33,000	33,000	0	0.00%
5430 Bldg & Equip Maint/Repair	238,063	241,568	3,505	1.47%
5432 Heating & Ventilation Repair	35,000	35,000	0	0.00%
5433 Security System Repair	2,500	2,500	0	0.00%
5434 Fire Protection	24,000	24,000	0	0.00%
5435 Refuse Removal	34,000	34,000	0	0.00%

East Hampton Public Schools
2013-14 Budget

	2012-2013 Final	2013-2014 Board of Ed Approved	Change From 12-13	% Change
5436 Water & Tank Testing	5,000	5,000	0	0.00%
5437 Pest Control	3,500	3,500	0	0.00%
5438 Vehicle Repair/Maintenance	2,500	2,500	0	0.00%
5439 Tile & Carpet Replacement	500	500	0	0.00%
5440 Rental	109,900	135,528	25,628	23.32%
5510 Pupil Transportation	1,207,277	1,257,691	50,414	4.18%
5511 Other Transportation	4,915	44,872	39,957	812.96%
5520 Property/Liability Insurance	132,109	147,282	15,173	11.49%
5530 Communications	47,055	49,655	2,600	5.53%
5540 Newspaper Advertising	2,113	1,613	(500)	-23.66%
5550 Printing/Binding	28,083	28,083	0	0.00%
5560 Tuition-RESC	210,045	250,500	40,455	19.26%
5561 Tuition to Agencies W/In CT	105,431	105,431	0	0.00%
5563 Tuition to Private Schools	420,461	483,415	62,954	14.97%
5566 Magnet School Tuition	99,600	140,000	40,400	40.56%
5580 Staff Travel	13,012	13,012	0	0.00%
5590 Other Purchased Services	56,523	57,918	1,395	2.47%
5611 Supplies/Mat/Minor Equip	433,500	438,925	5,425	1.25%
5620 Heating Oil	396,100	409,500	13,400	3.38%

**East Hampton Public Schools
2013-14 Budget**

	2012-2013 Final	2013-2014 Board of Ed Approved	Change From 12-13	% Change
5622 Electricity	403,000	403,000	0	0.00%
5623 Bottled/Compressed Gas	2,500	2,500	0	0.00%
5627 Motor Fuel	220,420	166,800	(53,620)	-24.33%
5641 Textbooks/Workbooks	100,732	106,607	5,875	5.83%
5642 Books/Periodicals	36,611	32,276	(4,335)	-11.84%
5690 Other Supplies/Materials	52,877	63,231	10,354	19.58%
5735 Technology Software	400	400	0	0.00%
5743 Furniture & fixtures	30,663	30,663	0	0.00%
5744 Computer Equipment	30,000	30,000	0	0.00%
5810 Dues and Fees	52,479	53,284	805	1.53%
NEW PROGRAMS		403,000	403,000	
Total	27,110,840	28,446,310	1,335,470	4.93%
LESS: Excess cost reimbursement	400,000	350,000	(50,000)	-12.50%
FINAL TOTAL	26,710,840	28,096,310	1,385,470	5.19%
BOARD OF FINANCE REDUCTION		(316,000)	(316,000)	
Total	26,710,840	28,412,310	1,069,470	4.00%

Example of Estimated Taxes

2013-2014

Proposed Mill Rate	26.85
Proposed Mill Rate Change	0.88

Example of Estimated Taxes

Market Value	Assessment	Taxes	Yearly Increase	Monthly Increase
\$ 142,857	\$ 100,000	\$ 2,685.00	\$ 88.00	\$ 7.33
\$ 214,286	\$ 150,000	\$ 4,027.50	\$ 132.00	\$ 11.00
\$ 285,714	\$ 200,000	\$ 5,370.00	\$ 176.00	\$ 14.67
\$ 357,143	\$ 250,000	\$ 6,712.50	\$ 220.00	\$ 18.33
\$ 428,571	\$ 300,000	\$ 8,055.00	\$ 264.00	\$ 22.00
\$ 714,286	\$ 500,000	\$ 13,425.00	\$ 440.00	\$ 36.67
\$ 1,071,429	\$ 750,000	\$ 20,137.50	\$ 660.00	\$ 55.00

**Nancy Hasselman, CCMC
Collector of Revenue
Town of East Hampton**

April 5, 2013

To: The East Hampton Town Council

Documentation of tax refunds are available in the tax office for your review if you so desire. The total refunds equal \$485.47.

Thank you for your assistance.

Nancy Hasselman, CCMC

Nancy Hasselman, CCMC
Collector of Revenue

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281 • 23 +
166 • 06 +
485 • 47 *

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