

TOWN OF EAST HAMPTON, CONNECTICUT

BOARD OF FINANCE

Meeting Agenda Amended

Monday April 17, 2023

Town Hall - Room 201 & Zoom

7:00 PM

Regular Meetings

January 17, 2023 (Tues)

February 21, 2023 (Tues)

March 20, 2023

April 17, 2023

May 15, 2023

June 19, 2023

July 17, 2023

August 21, 2023

September 18, 2023

October 16, 2023

November 20, 2023

December 18, 2023

1) Call to Order

2) Pledge of Allegiance

3) Adoption of Agenda

4) Approval of Minutes of Meeting(s) *

a) February 21st Regular Meeting

b) March 20th Public Hearing

c) March 21st Budget Workshop

d) March 22nd Budget Workshop

e) March 23rd Budget Workshop

f) March 25th Budget Workshop

g) March 29th Budget Deliberation

h) April 5th Budget Deliberation

5) Public Remarks

6) Financial Transactions *

7) Correspondence

8) Status Reports (Financial)

a) Revenue

b) Expenditures

c) Fund Balance

9) New Business *

a) FY 2023 Auditor Appointment

10) Continued Business *

a) BOE FY 2023 Deficit

11) Special Presentations

12) Liaison Appointments/Reports*

a) Town Council (McLennan/ Cunningham)

b) Board of Education (Bonaccorso / Bennington)

c) Economic Development Commission (Turner)

d) Lake / Conservation (Bonaccorso)

e) Fire Commissioners (Brown)

f) Brownfields/Redevelopment (Cunningham)

g) Park & Rec. Advisory Board (Coshov)

h) Capital Committee (Brown / Bennington)

i) Town/BOE IT Consolidation/Restructuring (Bonaccorso / Cunningham)

13) Public Remarks

14) Adjournment

* - Potential action item

ZOOM Information

Board of Finance Regular Meeting 4-17-2023

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/83240235226>

Or One tap mobile :

US: +13092053325,,83240235226# or +13126266799,,83240235226#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 309 205 3325 or +1 312 626 6799 or +1 646 558 8656 or +1 646 931 3860 or +1 301 715 8592 or +1 305 224 1968 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 9128 or +1 689 278 1000 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847

Webinar ID: 832 4023 5226

TOWN OF EAST HAMPTON
GENERAL FUND REVENUES
AS OF APRIL 12, 2023
FY 2022-2023

Agenda Item: 8A

4/12/2023

	Original Estimate	Adjustments	Revised Estimate	Unaudited Actual YTD Revenue	Balance	% Collected	Projected Variance	Comment
40 Property taxes	42,784,557	-	42,784,557	42,382,523	402,034	99.06%	-	
41 Investment income	10,000	-	10,000	112,669	(102,669)	1126.69%	110,000	Investment rates have increased
42 License,permit& fees	638,300	-	638,300	592,172	46,128	92.77%	50,000	Town Clerk & Building Dept. are strong
44 FEDERAL, STATE & LOCAL GRANTS	7,737,593	-	7,737,593	4,579,853	3,157,740	59.19%	254,000	Received an unanticipated MRSA grant
47 Other revenue	89,515		89,515	135,028	(45,513)	150.84%	47,000	Purchase card & insurance rebate
49 Other Fin. Sources (Use of Fund Balance)	500,000	1,235,000	1,735,000	-	1,735,000	0.00%	(1,735,000)	
TOTAL GENERAL FUND	51,759,965	1,235,000	52,994,965	47,802,245	5,192,720	90.20%	(1,274,000)	

Forecasted variance (1,274,000)

Estimated revenues \$ 51,720,965

TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
4/12/2023
FY 2022-2023

Agenda Item: 8B
4/12/2023

ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	TOTAL	Available	Projected Variance	% USED	Comment
01010000 Town Manager's Dept.	382,001	0	382,001	295,630	86,371	-	77.4%	
01020000 Town Council/Special	40,424	0	40,424	26,056	14,368	-	64.5%	
01040000 LEGAL	85,000	0	85,000	43,349	41,651	-	51.0%	Supervisor and Police contracts
01050130 New Town Hall/Police Dept.	311,286	0	311,286	235,722	75,564	-	75.7%	
01060135 Finance and Accounting	506,438	0	506,438	397,343	109,095	-	78.5%	
01060136 Collector of Revenue	177,804	0	177,804	110,867	66,937	10,000	62.4%	Vacancy - part of the year
01060137 Assessor	202,913	0	202,913	148,730	54,183	-	73.3%	
01070000 Town Clerk	184,903	0	184,903	147,557	37,346	-	79.8%	
01080000 Registrars/Elections	50,991	0	50,991	39,032	11,959	-	76.5%	
01090000 General Insurance	406,160	0	406,160	401,819	4,341	-	98.9%	
01100000 Probate Court	19,200	0	19,200	19,152	48	48	99.8%	
01110000 Employee Benefits	2,286,725	0	2,286,725	2,063,161	223,564	-	90.2%	
01120000 Contingency	30,000	0	30,000	0	30,000	30,000	0.0%	
01150000 Information Technology	166,281	0	166,281	126,396	39,885	-	76.0%	
01210211 Police Administration	375,282	0	375,282	280,912	94,370	-	74.9%	
01210212 Regular Patrol	1,794,407	0	1,794,407	1,453,536	340,871	(45,000)	81.0%	Overtime
01210213 Lake Patrol	2,096	0	2,096	2,143	-47	(47)	102.2%	
01210214 Animal Control	53,441	0	53,441	52,956	486	-	99.1%	
01220221 Firefighting	341,734	0	341,734	210,221	131,513	-	61.5%	
01220223 FIRE MARSHAL	92,985	0	92,985	51,614	41,371	10,000	55.5%	PT wages lower than expected
01220225 Town Center Fire System	8,050	0	8,050	4,035	4,015	1,000	50.1%	
01230000 Ambulance	64,790	0	64,790	48,832	15,958	10,000	75.4%	Fewer volunteers receiving stipend
01240000 Emergency Management	8,096	0	8,096	4,047	4,049	-	50.0%	
01250000 Public Safety Dispatch	232,825	0	232,825	95,328	137,498	-	40.9%	
01260000 Street Lighting	51,000	0	51,000	25,883	25,117	2,500	50.8%	
01310000 Chatham Health District	170,301	0	170,301	41,824	128,477	3,005	24.6%	Assessment less than estimated
01320000 Human Services	127,540	0	127,540	91,976	35,564	2,000	72.1%	Direct assistance
01330000 Senior Center	159,746	0	159,746	106,397	53,349	16,000	66.6%	Part-time wages
01340000 Transportation	53,940	0	53,940	55,535	-1,595	(1,595)	103.0%	
01350000 Community Services	6,800	0	6,800	7,495	-695	1,080	110.2%	Sewer use fee lower that expected
01360000 CEMETERY CARE	5,000	0	5,000	0	5,000	-	0.0%	
01370000 Commission on Aging	1,200	0	1,200	868	332	-	72.4%	
01410000 Building, Planning & Zoning	397,796	0	397,796	281,163	116,633	-	70.7%	
01420000 Econ. Development Comm.	4,637	0	4,637	1,456	3,181	-	31.4%	
01430000 Conservation & Lake Comm.	57,127	0	57,127	36,246	20,881	-	63.4%	
01460000 Redevelopment Agency	1,462	0	1,462	1,032	430	-	70.6%	
01470000 Middle Haddam Historic Dist.	800	0	800	297	503	-	37.1%	
01510000 Public Works Admin.	1,536,333	0	1,536,333	1,061,018	475,315	25,000	69.1%	Staff vacancies & overtime
01520000 Engineering	40,000	0	40,000	19,227	20,773	-	48.1%	
01530000 Town Garage	47,909	0	47,909	19,519	28,390	-	40.7%	
01540000 Townwide Motor Fuel	162,520	0	162,520	95,633	66,887	(25,000)	58.8%	Last paid: Diesel @ \$2.996 Gas @ \$2.39
01550000 Road Materials	370,000	0	370,000	263,950	106,050	-	71.3%	.
01560000 Transfer Station	200,431	0	200,431	140,747	59,684	(19,000)	70.2%	Disposal of yard waste

TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
4/12/2023
FY 2022-2023

Agenda Item: 8B
4/12/2023

ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	TOTAL	Available	Projected Variance	% USED	Comment
01610610 Park & Recreation	487,802	0	487,802	343,444	144,358	-	70.4%	
01660000 Arts & Cultural Comm.	2,300	0	2,300	729	1,571	-	31.7%	
01670000 Community Center	159,209	0	159,209	100,592	58,617	3,000	63.2%	
01680681 E Hampton Public Library	576,997	0	576,997	400,172	176,825	4,000	69.4%	Staff vacancy for part of the year
01680682 Middle Haddam Library	10,000	0	10,000	10,000	0	-	100.0%	
01710711 General Obligation Bonds	2,975,000	0	2,975,000	2,975,000	0	-	100.0%	
01720721 General Obligation Bonds	1,037,237	0	1,037,237	1,037,236	1	-	100.0%	
01750000 Capital Leases	164,224	0	164,224	137,696	26,528	-	83.8%	
01810000 Operating Transfers Out	855,225	1,150,000	2,005,225	855,225	1,150,000	-	42.6%	\$1.150M for Middle School Roof
Grand Total	\$ 17,486,368	\$ 1,150,000	\$ 18,636,368	\$ 14,368,798	\$ 4,267,570	\$ 26,991	77.1%	
Board of Education	\$ 34,273,597	\$ 85,000	\$ 34,358,597	\$ 25,955,199	\$ 8,403,398	\$ (515,629)	75.5%	
Total Forecasted Deficit						(488,638)		

Town of East Hampton
Fund Balance Projection
APRIL 12, 2023

Agenda Item: 8C
4/12/2023

	TOTAL Projected as of 06/30/2023
Total Fund Balance at July 1, 2022 (Audited).....	\$ 7,133,154
Less: Fund balance restrictions (TIF District).....	(26,883)
Fund Balance at July 1, 2022 (Audited).....	\$ 7,106,271
2022-2023	
Forecasted Revenues.....	51,720,965
Forecasted Expenditures.....	53,483,603
Net income / (loss).....	\$ (1,762,638)
Forecasted ending fund balance.....	\$ 5,343,633
Less: Assignments of fund balance.....	\$ -
Unrestricted Fund Balance at June 30, 2023.....	\$ 5,343,633
Unrestricted Fund Balance as a % of FY 2023 approved budget.....	10.3%

April 30, 2021

Board of Finance
C/O Jeff Jylkka
Finance Director
Town of East Hampton
1 Community Drive
East Hampton, CT 06424

Thank you for the opportunity to provide audit services to the Town of East Hampton ("Town") for the fiscal years 2021, 2022 and 2023. This letter sets forth the nature and scope of the services we will provide to the Town.

Scope of Services

We will audit the Town's statements of the governmental activities, each major fund and the aggregate remaining fund information and related notes to the financial statements, which collectively comprise the basic financial statements of the Town as of and for the years ended June 30, 2021, 2022 and 2023.

The objective of an audit is the expression of an opinion on whether these financial statements are presented fairly, in all material respects, in conformity with US GAAP and to report on the fairness of the supplementary information when considered in relation to the financial statements as a whole

We will conduct the audit in accordance with US GAAS and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. The aforementioned standards require that we obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement, whether caused by error or fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Town's or to acts by management or employees acting on behalf of the Town.

We will conduct the Federal Single Audit in accordance with the audit requirements of the Uniform Guidance, and will include tests of accounting records, a determination of major programs, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports.

The objective for our audit will also include reporting on internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with Uniform Guidance.

We will conduct the State Single Audit in accordance with the audit requirements of the State Single Audit Act (C.G.S. Sections 4-230 to 4-236), and will include tests of accounting records, a determination of major programs in accordance the State Single Audit Act, and other procedures we consider necessary to enable us to express such an opinion and to render the required reports.

The objective for our audit will also include reporting on internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the State Single Audit Act.

We will also complete the agreed upon procedures required by the Connecticut State Department of Education for the EFS and related forms.

Fees and billing

Our fees for these services will be as follows:

		Audit	Additional		
		Fee	EFS		
			Fee **		Total
Fiscal year ended June 30, 2021*		\$ 48,975	\$ 2,975		\$ 51,950
Fiscal year ended June 30, 2022		49,950	3,035		52,985
Fiscal year ended June 30, 2023		50,950	3,100		54,050
* Same as fiscal year ended June 30, 2020					
** New for fiscal year 2020 for additional work required by the State Department of Education					

Please let me know if you have at questions.

We are pleased to have this opportunity to serve you.



Joseph Centofanti, CPA, CFE, FCPA, CFF, CGFM
Partner

Recommended motion - Appoint PKF as auditors for the fiscal year ending June 30, 2023.



EAST HAMPTON PUBLIC SCHOOLS

PAUL K. SMITH
Superintendent of Schools

RODNEY L. MOSIER II
Director of Special Education

MARY E. CLARK
Director of Curriculum and Instruction

One Community Drive, Suite 1
EAST HAMPTON, CONNECTICUT 06424
(860) 365-4000

KAREN HITCHCOCK ASETTA
School Business Manager

March 28, 2023

Memo to Superintendent Paul K Smith
From Karen Asetta, School Business Manager

Projection of 2022-23 Budget

The attached budget projection is based on a detailed evaluation of current conditions and prior years' history.

A hiring freeze was made effective in September 2022 for most job roles, notably Interventionists and Paraeducators. No new hires in these two groups have been made since mid-September start dates.

Numerous assumptions are included, some subject to potential variability and uncertainty, significantly:

- **Hourly and per diem employees are forecast with 66% of the school year actually incurred.** Estimates are reasonably assured for currently identified long-term absences; additional leaves are possible. Substitute fill rates are assumed to be consistent with February's level, an increased rate of absences can further impair the forecast, or a reduced level of substitute interest (lower fill rate) can decrease classified salaries but increase coverages by certified teachers.
- The ultimate placements of several students are subject to various processes currently, confidential circumstances. **Estimates were made for additional outplacements to occur.**
- An additional in-town mid-day vehicle for some portions of the remaining school year is unavoidable.

Grant and fund offsets are anticipated and in process:

- The request to **revise the ARP ESSER funding** (originally for 2 math instructional coaches) has been advanced in the EGMS system. **State approval has not yet been received.** Grant funding for only 1 math coach would remain in 2023-24 year – value approximately \$175,000 includes medical benefits.
- One additional interventionist was moved to IDEA grant 611, per approved grant terms.
- All benefits (health insurance and pensions) for the cafeteria staff will be recorded in separate cafeteria fund (\$120,000). **The return to "free meals for all" on March 1 (ONLY through June, after a challenging loss of revenue mid-November through February, substantially reinforces this program.** Next year
- Learning Center fund will be zeroed out with a benefit transfer of approximately \$25,000
- Defined contribution pension plan employee forfeitures to be applied to current required contributions, approximately \$40,000.

Finance Director Request for identification of special education vs regular ed portion of the estimated deficit:
estimated 85% to 90%

Seventy-five per cent of the deficit in classified salaries can be attributed to special education including covering absences. The **full deficit in tuition and transportation** is special ed related. Because there are pluses and minuses in every object, **apportioning portion of all accounts could be on a 68% regular ed/32% special ed** based on the June 2022 Education Finance Report.

Board of Education Operating Budget	Actual 21-22	Actual YTD 22-23 3/16/2023	Grant and fund offsets (ESSER grant to be revised one time savings in certified salaries and benefits)	Projected total spending 22-23 3/16/2023	Revised Budget 22-23 with ASO	Projection to budget B/(W)	Conditions influencing prior assumptions
Certified Salaries	16,697,711	10,952,826	135,000	17,067,826	17,280,547	212,721	
Classified Salaries	5,239,936	3,938,523	0	5,855,000	5,414,865	(440,135)	Long term sub costs in extreme shortage areas (\$194,000 of excess), added interventionists (\$158,000), unanticipated reduction in Title 1 (\$57,000)
Medical Insurance	4,459,078	3,723,844	170,000	4,805,000	4,763,020	(41,980)	Our budget prepared prior to 1/13/22 with 5% - 1/26/22 preliminary 8% - final announced 4/20/22 was 10.5%
Life Insurance	52,871	44,047		66,490	58,240	(8,250)	
Payroll Taxes	643,327	455,096	2,500	687,874	658,218	(29,656)	direct relationship to salaries and wages
Pension	620,432	621,062	50,000	635,062	684,455	49,393	using all prior forfeitures from turnover for 2023 (approx \$41,000)
Unemployment Comp	3,169	0		5,000	5,000	0	
Worker's Compensation	135,965	104,383		139,857	144,609	4,752	
Technology Software	252,004	262,081		293,081	260,000	(33,081)	Cybersecurity software/monitoring = 30K acquired late in 2021 per agreement with Town
Meetings/Conf/Training	14,256	8,181		20,000	31,000	11,000	
Professional/Tech Services	786,970	643,538		706,538	747,956	41,418	uncertainty over services related to outplacements
Public Utilites (water/sewer)	63,506	53,695		67,634	68,718	1,084	
Repairs and Maintenance	458,005	273,203		305,000	287,000	(18,000)	repairs required for building functioning
Rental (includes copiers)	99,613	105,165		105,165	97,400	(7,765)	
Pupil Transportation	1,465,504	875,762		1,625,329	1,478,864	(146,465)	13 buses planned added outplacements increasing cost
Other Transport (athletics)	1,887	2,150		25,000	30,036	5,036	
Property/Liability Ins	122,146	96,939		123,085	124,639	1,554	
Phones, printing, ads	84,631	54,928		81,140	77,250	(3,890)	
Tuition	1,223,364	1,546,072		1,610,000	1,259,538	(350,462)	budget for existing as of January 2022 (8) responsible for additional students subsequently now 13 plus in progress still, actual programs not yet certain
Magnet School Tuition	144,543	130,215		134,111	131,250	(2,861)	
Staff Travel	3,738	1,800		5,500	8,000	2,500	
Other Purchased Services	28,551	12,381		34,000	37,000	3,000	
Supplies/Mat/Minor Equip	416,741	295,447		340,000	312,880	(27,120)	
Natural Gas	173,457	82,126		181,551	201,577	20,026	significant pricing increases, extreme market uncertainty
Electricity	321,113	190,622		340,000	418,000	78,000	solar field began generating Feb 2021
Motor Fuel	90,762	68,787		139,787	110,000	(29,787)	only 15,000 gallons at 2.63 balance at market
Textbooks/Workbooks	71,837	133,897		135,000	157,500	22,500	new elementary math program
Books/Periodicals	13,960	11,569		14,239	14,000	(239)	
Other Supplies/Matls - tech	33,905	26,361		36,617	35,000	(1,617)	
Computer Equipment	13,154	87,339		87,339	104,800	17,461	chromebooks in operating budget
Dues and Fees	48,394	45,107		48,000	46,000	(2,000)	
NEW PROGRAMS					0	0	
TOTAL SPENDING	33,784,530	24,847,146		35,720,226	35,047,362	(672,864)	
LESS : Excess cost grant	702,542	0		846,000	688,765	(157,235)	based on current outplacements, final state payment late May (last year May 23, 2022) increased State share 88% from 73% new info February
LESS: Other tuition revenue	0	0		0	0	0	allocating staff to STARS fund
FINAL TOTAL AFTER EXCESS COST	33,081,988	24,847,146	357,500	34,874,226	34,358,597	(515,629)	