

TOWN OF EAST HAMPTON, CONNECTICUT

BOARD OF FINANCE

Meeting Agenda

Monday May 15, 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) April 17th Regular Meeting
- 5) Public Remarks
- 6) Financial Transactions *
- 7) Correspondence
- 8) Status Reports (Financial)
 - a) Revenue
 - b) Expenditures
 - c) Fund Balance
- 9) New Business *
- 10) Continued Business *
 - a) BOE FY 2022 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 (Coshow)
 - h) Capital Committee (Brown / Bennington)
 - i) Town/BOE IT Consolidation/Restructuring (Bonaccorso / Cunningham)
- 13) Public Remarks
- 14) Adjournment

* - Potential action item

TOWN OF EAST HAMPTON
GENERAL FUND REVENUES
AS OF MAY 8, 2023
FY 2022-2023

Agenda Item: 8A

5/11/2023

	Original Estimate	Adjustments	Revised Estimate	Unaudited Actual YTD Revenue	Balance	% Collected	Projected Variance	Comment
40 Property taxes	42,784,557	-	42,784,557	42,748,983	35,574	99.92%	35,000	
41 Investment income	10,000	-	10,000	112,669	(102,669)	1126.69%	120,000	Investment rates have increased
42 License,permit& fees	638,300	-	638,300	631,612	6,688	98.95%	50,000	Building Dept. fees
44 FEDERAL, STATE & LOCAL GRANTS	7,737,593	-	7,737,593	8,041,262	(303,669)	103.92%	320,000	Received an unanticipated MRSA & MV grant
47 Other revenue	89,515		89,515	140,059	(50,544)	156.46%	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	51,674,585	1,320,380	97.51%	(1,163,000)	

Forecasted variance (1,163,000)

Estimated revenues \$ 51,831,965

TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
5/8/2023
FY 2022-2023

Agenda Item: 8B
5/11/2023

ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	TOTAL	Available	Projected Variance	% USED	Comment
01010000 Town Manager's Dept.	382,001	0	382,001	309,278	72,723	-	81.0%	
01020000 Town Council/Special	40,424	0	40,424	26,555	13,869	2,500	65.7%	Professional & tech. not spent
01040000 LEGAL	85,000	0	85,000	49,085	35,915	-	57.7%	Supervisor and Police contracts
01050130 New Town Hall/Police Dept.	311,286	0	311,286	254,148	57,138	-	81.6%	
01060135 Finance and Accounting	506,438	0	506,438	413,987	92,451	-	81.7%	
01060136 Collector of Revenue	177,804	0	177,804	122,735	55,069	9,000	69.0%	Vacancy - part of the year
01060137 Assessor	202,913	0	202,913	165,393	37,520	-	81.5%	
01070000 Town Clerk	184,903	0	184,903	153,749	31,154	-	83.2%	
01080000 Registrars/Elections	50,991	0	50,991	41,702	9,289	-	81.8%	
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	2,131,711	155,014	-	93.2%	
01120000 Contingency	30,000	0	30,000	0	30,000	30,000	0.0%	
01150000 Information Technology	166,281	0	166,281	131,896	34,385	-	79.3%	
01210211 Police Administration	375,282	0	375,282	297,151	78,131	-	79.2%	
01210212 Regular Patrol	1,794,407	0	1,794,407	1,519,466	274,941	(45,000)	84.7%	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	250	99.1%	
01220221 Firefighting	341,734	0	341,734	251,315	90,419	-	73.5%	
01220223 FIRE MARSHAL	92,985	0	92,985	53,991	38,994	10,000	58.1%	PT wages lower than expected
01220225 Town Center Fire System	8,050	0	8,050	11,997	-3,947	(4,500)	149.0%	Repairs to waterline leak
01230000 Ambulance	64,790	0	64,790	57,707	7,083	10,000	89.1%	Fewer volunteers receiving stipend
01240000 Emergency Management	8,096	0	8,096	4,230	3,867	-	52.2%	
01250000 Public Safety Dispatch	232,825	0	232,825	143,906	88,919	10,000	61.8%	Actuals forecasted to be lower
01260000 Street Lighting	51,000	0	51,000	27,952	23,048	4,000	54.8%	
01310000 Chatham Health District	170,301	0	170,301	127,725	42,576	3,005	75.0%	Assessment less than estimated
01320000 Human Services	127,540	0	127,540	96,157	31,383	2,000	75.4%	Direct assistance
01330000 Senior Center	159,746	0	159,746	112,043	47,703	16,000	70.1%	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 than expected
01360000 CEMETERY CARE	5,000	0	5,000	4,900	100	-	98.0%	
01370000 Commission on Aging	1,200	0	1,200	1,067	133	-	88.9%	
01410000 Building, Planning & Zoning	397,796	0	397,796	294,164	103,632	-	73.9%	
01420000 Econ. Development Comm.	4,637	0	4,637	1,502	3,135	-	32.4%	
01430000 Conservation & Lake Comm.	57,127	0	57,127	36,972	20,155	-	64.7%	
01460000 Redevelopment Agency	1,462	0	1,462	1,032	430	-	70.6%	
01470000 Middle Haddam Historic Dist.	800	0	800	341	459	-	42.6%	
01510000 Public Works Admin.	1,536,333	0	1,536,333	1,142,532	393,801	25,000	74.4%	Staff vacancies & overtime
01520000 Engineering	40,000	0	40,000	23,727	16,273	-	59.3%	
01530000 Town Garage	47,909	0	47,909	21,971	25,938	-	45.9%	
01540000 Townwide Motor Fuel	162,520	0	162,520	118,748	43,772	(20,000)	73.1%	Last paid: Diesel @ \$2.999 Gas @ \$2.30
01550000 Road Materials	370,000	0	370,000	283,331	86,669	-	76.6%	
01560000 Transfer Station	200,431	0	200,431	142,945	57,486	(19,000)	71.3%	Disposal of yard waste

**TOWN OF EAST HAMPTON
GENERAL FUND EXPENDITURES
5/8/2023
FY 2022-2023**

Agenda Item: 8B
5/11/2023

ACCOUNT DESCRIPTION	Original Budget	Transfers	Revised Budget	TOTAL	Available	Projected Variance	% USED	Comment
01610610 Park & Recreation	487,802	0	487,802	357,287	130,515	-	73.2%	
01660000 Arts & Cultural Comm.	2,300	0	2,300	1,729	571	-	75.2%	
01670000 Community Center	159,209	0	159,209	107,377	51,832	3,000	67.4%	
01680681 E Hampton Public Library	576,997	0	576,997	431,615	145,382	4,000	74.8%	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	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	\$ 15,029,373	\$ 3,606,995	\$ 39,742	80.6%	
Board of Education	\$ 34,273,597	\$ 85,000	\$ 34,358,597	\$ 28,287,826	\$ 6,070,771	\$ (594,965)	82.3%	
Total Forecasted Deficit						(555,223)		

Town of East Hampton
Fund Balance Projection
MAY 8, 2023

Agenda Item: 8C
5/11/2023

	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.....	51,831,965
Forecasted Expenditures.....	53,550,188
Net income / (loss).....	\$ (1,718,223)
Forecasted ending fund balance.....	\$ 5,388,048
Less: Assignments of fund balance.....	\$ -
Unrestricted Fund Balance at June 30, 2023.....	\$ 5,388,048
Unrestricted Fund Balance as a % of FY 2023 approved budget.....	10.4%
Unrestricted Fund Balance as a % of FY 2024 Town Council proposed budget.....	10.1%

Board of Education Operating Budget	Actual 21-22	Actual 22-23 YTD 5/1/2023	Grant and fund offsets (ESSER grant revised for one time savings)	Projected total spending 22-23 5/1/2023	Revised Budget 22-23 with ASO	Projection to budget B/(W)	Conditions influencing prior assumptions
Certified Salaries	16,697,711	12,982,694	135,000	17,079,932	17,280,547	200,615	
Classified Salaries	5,239,936	4,625,648	0	5,848,000	5,408,000	(440,000)	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	4,180,463	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	55,236		66,490	58,240	(8,250)	
Payroll Taxes	643,327	538,521	2,500	688,941	658,218	(30,723)	Direct relationship to salaries and wages
Pension	620,432	638,633	50,000	616,633	684,455	67,822	Using all prior forfeitures from turnover for 2023 (approx \$41,000)
Unemployment Comp	3,169	0		3,000	5,000	2,000	
Worker's Compensation	135,965	138,982		138,982	144,609	5,627	
Technology Software	252,004	309,072		312,000	260,000	(52,000)	Cybersecurity software/monitoring = 30K acquired late in 2021 per agreement with Town In prior years I-Ready was pre-paid. Thus I-ready (approx \$39K was purchased in 2021 for 2022, 2022 had zero payment for IREADY)
Meetings/Conf/Training	14,256	8,892		12,500	31,000	18,500	
Professional/Tech Services	786,970	693,580		746,580	747,956	1,376	Services related to outplacements and supplemental speech services delivered locally, still estimated
Public Utilites (water/sewer)	63,506	59,390		67,634	68,718	1,084	
Repairs and Maintenance	458,005	324,794		350,000	287,000	(63,000)	Repairs required for building functioning, spring repairs at High School remain high, plus water system operation and testing
Rental (includes copiers)	99,613	104,660		104,660	97,400	(7,260)	
Pupil Transportation	1,465,504	1,162,547		1,635,000	1,478,864	(156,136)	13 buses planned added outplacements increasing cost
Other Transport (athletics)	1,887	2,446		5,000	30,036	25,036	
Property/Liability Ins	122,146	123,144		123,085	124,639	1,554	
Phones, printing, ads	84,631	59,547		81,140	77,250	(3,890)	
Tuition	1,223,364	1,565,735		1,570,000	1,259,538	(310,462)	budget for existing as of January 2022 (8) responsible for additional students subsequently as of May 3rd, 15 are outplaced. Dynamic situations, efforts to return some in district appear successful.
Magnet School Tuition	144,543	142,521		142,521	131,250	(11,271)	
Staff Travel	3,738	1,962		5,500	8,000	2,500	
Other Purchased Services	28,551	12,848		34,000	37,000	3,000	
Supplies/Mat/Minor Equip	416,741	313,138		335,000	312,880	(22,120)	
Natural Gas	173,457	155,580		211,618	201,577	(10,041)	significant pricing increases, extreme market uncertainty
Electricity	321,113	203,322		282,000	418,000	136,000	solar field began generating Feb 2021
Motor Fuel	90,762	107,780		122,780	110,000	(12,780)	only 15,000 gallons at 2.63 balance at market
Textbooks/Workbooks	71,837	134,571		135,000	157,500	22,500	new elementary math program
Books/Periodicals	13,960	11,853		13,000	14,000	1,000	
Other Supplies/Matls - tech	33,905	27,720		29,000	35,000	6,000	
Computer Equipment	13,154	87,702		87,702	104,800	17,098	chromebooks in operating budget
Dues and Fees	48,394	45,107		46,000	46,000	0	
TOTAL SPENDING	33,784,530	28,818,088		35,698,697	35,040,497	(658,200)	
LESS : Excess cost grant	702,542	0		752,000	688,765	(63,235)	based on current outplacements, final state payment late May (last year May 23, 2022). Increased State share 88% from 73% new info February 2023, then reduced to 76% based on Statewide applications for reimbursement based on the March 1st application deadline
LESS: Other tuition revenue	0	0		0	0	0	allocating staff to STARS fund
FINAL TOTAL AFTER EXCESS COST	33,081,988	28,818,088	357,500	34,946,697	34,351,732	(594,965)	

Memo

To: David Cox, Town Manager
From: Jeff Jylkka, Finance director
Date: 05/08/2023
Re: Board of Education FY 2023 Deficit

Below is a summary of how the BOE deficit could impact the unobligated surplus as well as the Town's bond rating.

If all of the deficit were covered using surplus funds:

Estimated unrestricted fund balance: **\$4,776,306**

Unrestricted Fund Balance as a % of **FY 2023** approved budget **9.2%**

Unrestricted Fund Balance as a % of **FY 2024** BOF proposed budget **8.9%**

If the deficit were offset by additional, unanticipated revenue and under expenditures on the general operations side of the ledger:

Estimated unrestricted fund balance: **\$5,388,048** (see below)

Unrestricted Fund Balance as a % of **FY 2023** approved budget **10.4%**

Unrestricted Fund Balance as a % of **FY 2024** BOF proposed budget **10.1%**

Revenues are forecasted to be \$572,000 better than forecasted. General government expenditures are forecasted to be \$39,742 lower than budgeted.

	Amount
FY 2022 Fund Balance	7,106,271
Forecasted favorable variances in revenue & expenses	611,742
Use of fund balance to balance FY 2023 budget	(500,000)
Use of fund balance for ASO's	(85,000)
Use of fund balance for Middle School Roof	(1,150,000)
Forecasted BOE deficit	(594,965)
FY 2023 Estimated Fund Balance	5,388,048

What is the potential and predicted impact on the Town's bond rating:

In consultation with the Town's financial advisor, it was his opinion that the current forecasted deficit would not negatively impact our bond rating. He cautioned that if this becomes a trend, our rating could be lowered.

ZOOM Information

Board of Finance Regular Meeting 5-15-2023

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/89586092631>

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