

**TOWN OF EAST HAMPTON
EAST HAMPTON, CT 06424**

BOARD OF FINANCE

Monday May 21, 2018
Town Hall Meeting Room

Approved Minutes

Present: Mike Rose, Bridget McLennan, Janine Jiantonio, Alannah Coshow, Barbara Moore Ted Turner and Richard Brown (arrived at 7:20 during discussion of item 9b)

Other attendee(s): Jeffery Jylkka: Director of Finance, Michael Maniscalco: EH Town Manager

1-2. Chairman Rose called the meeting to order at 7:04 p.m. followed by the Pledge of Allegiance.

3. Adoption of Agenda

Upon a motion from Ms. Coshow, seconded by Ms. Jiantonio and unanimously carried, the agenda was adopted as presented.

A motion from Ms. Coshow followed to add agenda item 10c) 2017-2018 additional appropriation for Public Works paver and dump truck. The motion was seconded by Ms. Jiantonio.

Vote: 6-0. Motion Passed.

4. Approval of Minutes:

a) Regular Meeting 4/16/2018

*Ms. Moore made a motion to approve the minutes as presented. The motion was seconded by Ms. Coshow. **Vote: 6-0. Motion Passed.***

b) Special Meeting 5/15/2018

*Ms. Coshow made a motion to approve the minutes as presented. The motion was seconded by Ms. Moore. **Vote: 5-0-1 (Rose). Motion Passed.***

5. Public Remarks:

Nancy Oakley: 71 Pocotopaug Drive – Shared her observations of the budget process leading up to and through the first Referendum and stated that more transparency, communication and respect is needed (especially in regard to the ECS funding). She also voiced her opinion that all education supporters are not the same and should not be thought of as one body.

Mary Ann Dostaler: 56 William Drive – Echoed the transparency comment from Ms. Oakley and asked that the Board assign the ECS funds appropriately (i.e. to BOE budget).

6. Financial Transactions:

None

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7. Special Presentations:

None

8. Correspondence:

None

9. Status Reports [Financial]:

a) Revenue

b) Expenditures

c) Fund Balance

Mr. Jylkka provided a brief status on the FY 2017-2018 Revenues and Expenditures and Fund Balance to date. Highlighting a projected positive variance in revenue despite the decrease in state and local grant funding coupled with fire system pipe repairs and hazardous material removal at Watrous St. expenditures that are still unknown, Mr. Jylkka still feels that we will end the year with a slight surplus.

10. New Business:

a) Auditor appointment fiscal year 2018

Upon a motion from Dr. Brown, seconded by Ms. Jiantonio, the board appointed PKF O'Connor Davies LLP for the fiscal year 2018 audit.

Vote: 7-0. Motion Passed.

b) Discuss and possible recommendation on the 2018-2019 budget for Town Council (Town Operations only) – 2nd referendum

Discussion began with Board members sharing differing opinions on why the Town Operations Budget did not pass at referendum and what, if any, adjustments should be recommended for the second Referendum as well as differing opinions on how the ECS funds should be allocated.

Motions

Ms. Moore made a motion to recommend that the additional ECS grant money received (~\$716,415) is allocated in the following ways:

\$250,000 – to BOE Budget (in order to retain the 3 teachers being let go. Note: the other 5 positions mentioned in the reduction are retirements that will not be replaced)

\$300,000 – to reduce the 2018-2019 Mill Rate

\$166,415 – to Mill Rate Stabilization Fund

The motion was seconded by Mr. Turner.

Vote: 3-4 (Brown, Coshaw, Jiantonio & McLennan). Motion Failed.

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Ms. Coshow made a motion to recommend the following adjustments to the Town Council's 2018-2019 approved budget that failed to pass at referendum on May 15th, 2018 and further recommend that the Town Council approve the Town Government budget in the amount of \$15,168,208:

- 1) Modify the capital reserve budget as follows:*
 - a. Fund the \$80,500 for student Chromebooks with the additional ECS revenue rather than financing*
 - b. Reduce teacher laptops by \$5,000, and fund the remaining \$37,000 with the additional ECS revenue rather than financing*
 - c. Fund the Public Works paver and dump truck in fiscal year 17-18 and remove from the 18-19 capital plan*
- 2) Modify the Town Operations budget as follows:*
 - a. Reduce the debt budget (capital leases) by \$90,000 (as a result of above funding)*
 - b. Increase the transfer to the capital reserve fund by \$117,500 to pay cash for Education laptops*
- 3) Increase the revenue estimate for the ECS grant to \$7,129,144*

The motion was seconded by Ms. Jiantonio.

Vote: 4-3 (Rose, Moore & Turner). Motion Passed.

c) 2017-2018 additional appropriation for Public Works paver and dump truck

In following with the discussion during item 10b above, Ms. Jiantonio made the below motion which was seconded by Dr. Brown:

The Board of Finance recommends that the Town Council appropriate THREE HUNDRED FORTY SEVEN THOUSAND DOLLARS (\$347,000) for costs in connection with the acquisition of a Public Works paver (\$170,000) and dump truck (\$177,000); and the appropriation shall be funded from unassigned General Fund balance (\$347,000) and the total amount shall be transferred to the Capital Reserve Fund. The appropriation may be spent for expenses relating to the acquisition and any unexpended funds shall be returned to the General Fund.

Vote: 7-0. Motion Passed.

11. Continued Business:

a) Website Upgrade

Nothing new to report at this time. Still on hold due to other items taking precedence.

b) TIF Zone Proposal

Planning and Zoning Commission has approved. The proposal will now go back to Council in late June to take review and take possible action on.

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***Action Item:** Mr. Jylkka to send out the P&Z approved version of the TIF proposal to the board members.*

c) Teacher Contract Negotiations

Chairman Rose confirmed that 1 member of the BOF is allowed to participate in contract negotiations that are planned to begin in August. Who that individual will be is yet to be determined.

d) Tax Bill Modifications

After Ms. McLennan briefly explained to the public what the tax spending breakdown document will contain and how it will be distributed, Mr. Jylkka reiterated that the production of an accurate spending breakdown is dependent on Budget approval and that we may not be able to meet the timeline for tax bill production and processing by Quality Data Systems (QDS) this time around.

12. Committee/Liaison Assignments

a) Town Council (Coshow/Jiantonio)

Nothing with a financial impact discussed except that WPCA will be setting the water rates for the 2018-2019 FY.

b) Board of Education (Finance Sub-Committee) (Rose/Moore)

No Report – Conflicting meeting times

c) Economic Development Commission (Turner)

The business of the month program continues along with the recent recognition of multiple new businesses around town. The commission is also discussing developing a local business brochure.

d) Lake / Conservation (Moore)

Nothing with a financial impact discussed

e) Fire Commissioners (Brown)

Meeting is scheduled for May 22. The annual award process is still a topic on the agenda.

f) Brownfields/Redevelopment (McLennan)

Nothing with a financial impact discussed

g) Park & Rec. Advisory Board (McLennan)

No Report – Conflicting meeting times

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h) Water Task Force (Jiantonio)

The task force has met its obligation originally assigned by the Town Council and after presentation to the Council was disbanded. Any further action will be taken by Town Council and reported on under that liaison report.

13. Public Remarks

None

14. Town Manager's Report

Mr. Maniscalco provided a brief update on three items:

- 1. 1 Watrous St.** – The RFP process to sell/redevelop the property has begun with the walkthrough occurring last week.
- 2. Library Roof**– Library roof replacement quotes are still being collected.
- 3. Emergency Services Radio System** – Study completed on upgrading the existing system (from the 1960's). Recommendation are being reviewed with a plan to implement improvements in the next fiscal year.

15. Adjournment:

The motion to adjourn was made by Mr. Turner and was seconded by Ms. Jiantonio.

Vote: 7-0. Motion Passed. Meeting adjourned at 8:31 pm.

Respectfully submitted,

Renee Bafumi
Recording Secretary