

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

BOARD OF FINANCE

Monday, September 18, 2017
Town Hall Meeting Room

Approved Minutes

Present: Marc Lambert, Alannah Coshow, Alan Hurst and Michael Rose

Not Present: Janine Jiantonio, Dean Markham and Steve Ritchie

Other attendee(s): Jeffery Jylkka: Director of Finance

1-2. Chairman Lambert called the meeting to order at 7:00 p.m. followed by the Pledge of Allegiance.

3. Approval of Minutes:

a) Regular Meeting 7/17/17

Due to a lack of available members to approve the minutes (Mr. Hurst and Mr. Rose abstaining), approval of the minutes was tabled until a future meeting.

b) Special Meeting 8/14/17

Due to Mr. Markham's absence, a request was made to table approval of minutes until the next meeting.

4. Public Remarks:

None

5. Financial Transactions:

None

6. Special Presentations:

None

7. Correspondence:

Chairman Lambert acknowledged the following items:

1. Distribution of the Bond Official Statement (booklet dated 8/30/2017) to each Board Member for their information.
2. Receipt of Steve Ritchie's immediate resignation from the Board of Finance due to his relocation to Mississippi.

All other correspondence was deferred to agenda item 10A below.

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8. Status Reports [Financial]:

Mr. Jylkka provided an update on the FY 2016-17 Revenues and Expenditures as the FY closes.

a) 2016-2017 Revenue

Mr. Jylkka shared that there are not a lot of changes from last report. Current numbers show the year closing \$36,000 favorable over variance. Back tax collections and Licenses, Permits & Fees, he shared were the main drivers of the favorable variance. He also noted the ECS Grant being cut mid-year, a CIRMA refund, Chatham moving out of the towns financial purview and the closing out of the Self-Insurance fund as contributors.

b) 2016-2017 Expenditures

Mr. Jylkka highlighted the following line items as key expenses that had a net impact on the budget:

- Legal Fees - (to Robinson & Cole) for drafting the Town Hall/Police Complex Agreements. (Mr. Rose did comment that R&C even at a discounted rate has some of the highest fees in the state)
- Street Lighting – original budget was not sufficient
- PW Vacancy - will remain unfilled causing possible issues this FY as well
- Unemployment – there were no claims
- Health Insurance – Adding employees that previously were not on the town insurance and new hires that did not take the town insurance
- Community Center Maintenance – Significant rewiring and building repairs

He then stated that General Government will return \$278,000.00 and BOE will return \$1,889.00. Mr. Rose questioned if the BOE return amount was out of the ordinary. Mr. Jylkka acknowledged that this year is significantly lower than past years (ex: last year BOE returned ~\$17,000.00) but did not cite any improper spending that he was aware of given what is approved each year is a total budget (1 number) and they did not exceed the budget. Mr. Rose went on to request a meeting with the Superintendent and Business Manager to discuss their spending as the FY closed. Mr. Jylkka stated that while not part of the process in the past, he could speak to them to get some information.

Action Item: *Mr. Jylkka to request an expenditure report from the BOE for May and June 2017. If obtained, an agenda item to review and discuss should be added to the October BOF Agenda.*

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c) Fund Balance Projection

Mr. Jylkka shared that with a net income of just over \$315,000.00, the forecasted ending fund balance is \$5.4 million which is 12.6% of FY2017 approved budget and 12.2% of FY2018 budgeted expenditures.

Mr. Rose also asked for a status on the \$50,000 of Capital for Safety Glass that was a key discussion point during budget discussions. Mr. Jylkka and Chairman Lambert confirmed that this money does not fall under the frozen Capital spending.

Action Item: *Mr. Jylkka to get a status on the Safety Glass install(s) at the schools.*

Mr. Jylkka also clarified for Board Members that the Fund Balance refers to the Town General Fund only and that money is also available from the Capital Reserve Budget (>\$1,000,000.00) as well as a few other small funds (Park and Rec program revenue, etc. equaling a total of ~ \$40,000.00). Several options were also discussed to compensate for state cuts if necessary.

d) Cash and Investment Report

Mr. Jylkka then provided a view of the Town's cash and investment distribution by institution noting with the transfer of taxes and payroll to Webster, the Town is moving away from Citizens for the most part. He also stated, when asked if the STIF account was statutorily required, that it was not but that there are no fees associated with keeping it open and it makes grant distribution easier.

9. New Business:

Upon a motion from Mr. Rose, seconded by Mr. Hurst, and unanimously carried, a New Business Agenda Item was added as agenda item 9a:

a) Board of Finance involvement in Board of Education Contract Negotiations

Mr. Rose questioned why the Board of Finance is not represented at the table for negotiations currently occurring with the education union(s). Mr. Jylkka stated that participation has occurred in the past for teacher and administration contract negotiations but not for para-professional negotiations which happen to be the negotiations occurring. Not sure if statute but common practice.

Action Item: *Chairman Lambert to reach out to BOE Chairman Goff to discuss Board of Finance participation and schedule of negotiations.*

Action Item: *Mr. Jylkka to include this item on October BOF Agenda.*

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10. Continued Business:

a) 2017/18 State Budget

While Mr. Jylkka did share correspondence received from multiple entities including but not limited to Connecticut Conference of Municipalities (CCM) and Connecticut Council of Small

Towns, he acknowledged that the information is not as relevant given it was from Friday and the nuances of the budget are still evolving.

***Action Item:** Mr. Jylkka to forward an email from CCM dated Monday 9/18, that he does not feel contains accurate information because it shows East Hampton receiving additional money from the state (above budget).*

11. Liaison's Reports:

With liaison assignments still in need of reassessment at the discretion of the new Board, Chairman Lambert asked if anyone had anything to share. Mr. Hurst provided the below liaison reports:

- a) Town Council**
- b) Board of Education**
- c) Economic Development Commission**
- d) Lake/Conservation**
- e) Fire Commission**
- f) Brownfields/Redevelopment**
- g) Park & Rec. Advisory Board**

P&R is moving along swiftly with the Seamster Park fundraising (goal of \$100,000) with not only general donations being received but full pieces of equipment being purchased by single donors.

The EHHS also hosted a Regatta last weekend at Sears Park that was heavily attended and was very successful.

h) Water Development Task Force

Tighe & Bond has been hired to review the options and benefits of an interconnection project (of existing water systems: Village Center, Edgemere, Royal Oak, Memorial School etc.) as an initial phase for water development at a cost that will be easily bonded. It will be paid for through the Cap reserve from previous years. Results should be available by year end.

12. Public Remarks

Ted Turner – 223 Hog Hill: Mr. Turner confirmed with Mr. Jylkka that the collection rate for this year, to date, was in line with previous years (previous years closing at a 98% collection rate).

Mr. Turner then spoke to the Regatta which he attended and volunteered at this weekend. He stated that 9 High Schools participated and it was an overwhelming success. Plans for next year are underway.

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13. Town Manager's Report

No Report

14. Adjournment:

The motion to adjourn was made by Mr. Hurst and was seconded by Mr. Rose.

Vote: 4-0. Motion Passed. Meeting adjourned at 7:43 pm.

Respectfully submitted,

Renee Bafumi
Recording Secretary