

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

BOARD OF FINANCE

Tuesday, January 17, 2017
EHHS Library Media Center

Approved Minutes

Present: Allison Tokarz, Marc Lambert, Alannah Coshow, Janine Jiantonio, Dean Markham, Alan Hurst and Steve Ritchie

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

1-2. Chairman Tokarz called the meeting to order at 6:30 p.m. followed by the Pledge of Allegiance.

3. Approval of Minutes:

a) Regular Meeting 12/19/16

Mr. Hurst made a motion to approve the minutes after corrections ("if" changed to "of" on page 3 and "." to "," in 3 places on page 5). The motion was seconded by Mr. Lambert.

Vote: 6-0-1 (Ms. Jiantonio). Motion Passed.

4. Public Remarks:

Joanne Barmasse – 6 Tiffany Court: As a BoE member and a concerned resident, Ms. Barmasse stated that the Boiler issue has been an issue for years and is only getting worse. She went on to say that the Capital Committee recognized the urgency in removing it from the FY 2018 Plan in order for it to be addressed now and she therefore hopes that the Board follows suit so that the project can get moving sooner rather than later.

Taina Sones – 17 Curry Lane: As another BoE member and a mother of a Center School student, Ms. Sones echoed Ms. Barmasse's comments and made sure the Board members were aware that the boiler had to be turned off for 2 days as recently as the previous week. Luckily, the weather did not warrant heat on those days or school days would have been lost.

5. Financial Transactions:

a) Discuss and take possible action on a Capital Reserve Fund Appropriation for the Center School Boiler Project

At the December 19, 2016 Regular Meeting of the BoF, Don Harwood, EH BOE Facilities Manager, provided the Board with detailed information on the Center School Boiler Project (incl.: incurred costs to date, professional recommendations for how to remediate issues, best and worst case scenarios if issues not addressed and timelines that impact the project – See 12/19/16 Meeting Minutes for complete detail). That meeting was followed by additional information being provided in early January. With the Board having time to fully review all information provided, Mr. Harwood was brought back in order to answer

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questions the Board members had. The Q&A session lasted for well over an hour with questions mainly revolving around funding deferment options and timelines for moving forward as well as the likelihood that work can be completed within the required timelines (bulk of work being done when school is not in session).

Following the Q&A session, Mr. Markham introduced the following resolution which was seconded by Ms. Jiantonio.

RESOLVED,

1. *That the town of East Hampton appropriated Ninety-One Thousand Dollars (\$91,000) for costs with respect to the Center School Boiler Project including, but not limited to, design and engineering fees to allow for the development of design and bidding documents associated with the complete heating system replacement for Center School. The design efforts would include the review of all existing system components, energy/heating needs, system approach, equipment, controls, electrical, plumbing, construction, demolition, timelines, equipment type, alternative approaches, replacement challenges/obstructions, hazardous materials and abatement.*
2. *That the Town transfer funds from the following Capital Reserve Fund Projects to temporarily fund the project:*
 - *HVAC RTU (93228) \$55,500*
 - *Bathroom partitions (03130) \$22,300*
 - *Ceiling Replacement (93225) \$5,300*
 - *Soccer Drainage (93111) \$7,900*
3. *That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs paid from such temporary advances are reasonably expected to be reimbursed from the appropriation for the full costs of the project including not in excess of \$91,000 proceeds of borrowings funding such appropriation, if and when approved.*

Prior to going to vote, further discussion was had on Capital Projects that could possibly be accessed instead of one or more of the projects listed in section 2 of the resolution. After discussion, section 2 of the motion on the table was amended as follows:

2. *That the Town transfer funds from the following Capital Reserve Fund Projects to temporarily fund the project:*

- ~~*HVAC RTU (93228)*~~ ~~*\$55,500*~~
- *Track Resurfacing (#not provided) \$55,500*

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| • Bathroom partitions (03130) | \$22,300 |
| • Ceiling Replacement (93225) | \$5,300 |
| • Soccer Drainage (93111) | \$7,900 |

The motion then went to vote on the above resolution as amended.

Vote: 7-0 Motion Passed.

b) Resolution appropriating \$475,000 for the fuel station construction and underground fuel storage tank removal project, and authorizing the issue of bonds and notes in the same amount to finance the appropriation.

In following with the detailed discussion at the December 19th BoF meeting, Mr. Hurst introduced the following resolution which was seconded by Mr. Lambert:

RESOLVED, that the Board of Finance recommends that the Town of East Hampton appropriate \$475,000 for costs in connection with construction of a fuel station in the vicinity of the Gildersleeve Drive cul-de-sac and the removal of two existing underground fuel storage tanks at the East Hampton Public Works Garage site, contemplated to include but not limited to the acquisition and installation of two aboveground fuel storage tanks, new fuel dispensers, a new fuel monitoring system, a security fence and gate , bollards and lighting; related site improvements and other work; and for costs in connection with the financing of the project; and that the town issue bonds, notes or temporary notes in an amount not to exceed \$475,000 to finance the appropriation. The Town Manager shall be authorized to determine the scope and particulars of the project and to reduce or modify the scope of the project, and the entire appropriation may be expended on the project as so modified or reduced. The appropriation may be spent for design, construction, acquisition and installation costs, site remediation, related work and improvements, equipment, materials, engineering, project management and other consultant fees, legal fees, administrative costs, net temporary interest and other financing costs, and other expenses related to the project and it's financing.

Vote: 7-0. Motion Passed.

6. Special Presentations:

None

7. Correspondence:

Chairwoman Tokarz verified that all Board members received the email from the BOE referencing their budget presentation being presented this evening next door in the T-Bell Room.

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8. Status Reports [Financial]:

a) 2015-2016 Audit

Mr. Jylkka shared the final reports on the FY 16 Audit with the Board Members and stated that he will be inviting the Partner from the auditing firm to a future meeting in order to present his findings. A brief conversation followed in regard to a recommendation for the finance department to develop a process and procedure manual. Mr. Jylkka assured them that the lack of a manual does not impact the town's rating in any way and noted that the processes are application/software specific and documented in detail by the software company and are available online.

Mr. Jylkka then provided a mid-year overview of the FY 2016/17 Revenues, Expenditures and Fund Balance.

b) 2016-2017 Revenue Forecast

Mr. Jylkka shared that collection of back taxes and interest are strong as well as licenses, permits and fees for both the Town Clerk and Building Department. He also noted that the ECS state grant has been cut and reminded the Board of the use of fund balance for the EH 250 celebration, land purchase and the ½ year police officer position. With all of this, revenues are currently showing a negative variance of \$167,611 but, Mr. Jylkka noted that there is still a belief that this will get better as a result of the aggressive back tax collection efforts underway.

c) 2016-2017 Expenditure Forecast

Mr. Jylkka shared that even with significant savings identified the sewage flood in the police station is requiring that the Town pay the \$10,000 deductible. This coupled with a few other projected negative variances are driving a variance, while positive, of only \$22,262.

d) 2016-2017 Fund Balance Forecast

Mr. Jylkka shared that based on forecast of revenues and expenditures, a small net loss of \$145,000 is being projected but the goal is still to reach a net zero by the end of the year.

9. New Business:

None

10. Continued Business:

a) Discuss and take possible action on the 2018-2022 Capital Improvement Plan

Mr. Jylkka provided an updated Capital Improvement Plan (as of 1.17.17) which included a column reflecting the BOF recommendations from previous discussions. Mr. Jylkka did suggest that the \$75,000 for LOCIP be removed given the state cuts and the expectation

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that it will not be a viable funding source causing the General Fund to be \$75,000 higher. He also suggested removing the fuel island line item under financing given it is being addressed this fiscal year (see agenda item 5b above). Finally he confirmed that he will be noting the items contributing to the Center School Boiler Project (see agenda item 5a above).

Upon a motion by Mr. Lambert, seconded by Mr. Hurst the Board of Finance approved the Capital Improvement Plan 2018-2022 (after all discussed changes are reflected).

Vote; 7-0. Motion Passed.

b) High School Renovation Project Status

Mr. Jylkka shared the status meeting he was to have in order to obtain a current status was rescheduled to Monday, January, 23rd. He did however state that the project is 75-80% spent.

11. Liaison's Reports

a) Town Council

No Report

b) Board of Education

Meeting occurring now in EHHS T-Bell Room

c) Economic Development Commission

Meeting occurring now at Town Hall Meeting Room

d) Lake/Conservation

No Report

e) Fire Commission

Mr. Ritchie shared that the new ladder truck is expected to be delivered in mid-February and progress can be viewed on the manufacturer's website (www.firematic.com).

f) Brownfields/Redevelopment

No Report

g) Park & Rec. Advisory Board

Mr. Hurst referenced the status provided in December that things are moving forward with the playground project as well as the Airline Trail extension to Alden's Crossing.

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h) Water Development Task Force

Mr. Hurst shared that they will be asking the Town Council for approval to move forward with the Request for Fee (RFF) process from the top 3 of 5 proposals received.

13. Public Remarks

None

14. Town Manager's Report

Mr. Maniscalco provided an update on the following projects:

- **Gas Project** – \$36,000 has been identified as a balance in this project which will in turn be used to offset cost associated with gas conversion of Fire Co.1 and Co. 2.
- **Police Department Building Repairs** – Repairs continue in the police department as a result of the sewage flood. Two additional floods also occurred on the premises over New Years. Issues are getting more and more consistent and getting worse.
- **S. Main St Water** – council meeting discussion was had around working with a developer on S. Main St in order to gain access to water that could be tied into the VC water system and alleviate some of the water issues in the Village Center.
- **RFPs for Police & Town Hall** – 8 responses have been received and the Council will be discussing at a special meeting on Monday, January 23, 2017.
- **Prevention Coordinator** – Top candidate's information has been sent to the State for review and approval.
- **Library Director** – 6 candidates were interviewed and 2 will be brought back for the final round of interviews.
- **13 Watrous** – Demolition of this property continues with issues in the tunnels and chambers under the building being remediated. The project is running under budget so it is believed the unplanned clean-up will still fall within the budget.

15. Adjournment:

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

Vote: 7-0. Motion Passed. Meeting adjourned at 8:37 pm.

Respectfully submitted,

Renee Bafumi
Recording Secretary