

Democratic Town Council Members

Statement on 2020-21 Budget

May 26, 2020

The Governor's Executive Order extended by 30 days the municipal budget process and suspended our Charter provision for a budget referendum. Typically, this Council would have acted on the Board of Finance recommended budget in early May sending it to Town Meeting and Budget Referendum.

Under that same Executive Order, it is the Town Council who has now been given the exclusive responsibility to adopt the budget and set the Mil Rate. Under our revised calendar, we intend to present our final fiscal year 2020-21 budget for vote on June 9th.

The Council Leadership and members also recognized a need for as much discussion, review, analysis and transparency of this process in these trying times, using technology and virtual participation to include as many as possible from our community.

To facilitate our greater understanding of the recommended Board of Finance budget, we conducted a first - a Council budget workshop last Thursday. Besides the 16 panelists including Council members, Town Manager, Finance Director, Chairman of both Boards of Education and Finance, the Superintendent and his support staff, 47 of our citizens listened in while we heard presentations and responses to questions presented to guide our discussions. Their responses were most illuminating and set the tone for what we intend to present in our final budget. Most significant is the expectation of General Government 2020 surplus of approximately \$649,000 – half coming from cost and expense savings and half from increases in revenue. Also, surplus from Board of Education spending is projected at over \$200,000. Obviously, many of us expected this surplus as our school buildings have been shuttered for a third of the school year.

This positive information now enables us to re-evaluate many aspects of our overall budget and financial planning.

The information obtained at last week's workshop and yet to be determined, along with the revised budget calendar, will afford us additional time to fully analyze all our financial information and make strategic decisions that will have a positive impact on this current year as well as the 2021 and 2022 fiscal budgets. We will make our town stronger as we emerge from the coronavirus emergency.

As we stated on May 10th, we will not present a full draft nor adopt the annual budget this evening. As a highlight of what we intend to do, it is the Democratic Leadership plan to;

1. Selectively pay one-time capital expenses or retire debt obligations early, before June 30th, in co-operation with the Board of Finance;
2. Fund a new teaching position to mitigate the significantly larger classroom size that follows the current 4th grade at Center School. This has been the major outcry from the public and we are addressing this need.
3. Adding back the police officer, which our Town Manager had reluctantly cut from his initial proposal, when this Council requested, he re-evaluate budgets in March. I would note for all listening that our police force was reduced by two officers 10 years ago. This will restore our force. It is also worthy to note that a portion of the expense will be achieved by overtime reductions.
4. We will restore and make whole technology and especially the student Chromebooks cut by the prior Council in its last two budgets.
5. This and more will be accomplished, all within the provisions of our

Charter which does not allow the Council to increase the Board of Finance budget total Expenditures.

6. Strategic use of Fund Balance, maintaining our healthy 12% balance of annual expenditures, and positioning East Hampton to retain its AAA Bond Rating. This, under the current economic situation will enable East Hampton to have a significantly lower cost on bonds for the new Town Hall when they are underwritten in the late summer. And finally,
7. we expect at worst, a very minimal, and at best, NO increase in our Mil Rate.

We do have much more work to do in the next two weeks, but wanted you to know what our thinking is and what we believe can be accomplished.

Thank you.

Dean Markham

Town Council Member