

East Hampton Budget & Finance Advisory Committee (EH BFAC)

2011 Annual Report: Findings & Recommendations

March 1, 2012

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Introduction: Continuing Challenges

Environmental/Water Protection

Storm Water Runoff

Waste Management

Fiscal Challenges

Infrastructure: reverse decline & improve

Property Taxes: 2% cap on annual increases

Current Debt Outstanding limits options

Financial Transparency

Public Financial Reporting

CPF audits

Accountants'/NYS Comptroller's Recommendations

Introduction: Strategic Focus

Reconcile Environmental & Economic Concerns

Expand Revenue Base & Improve Productivity

Expand telecom infrastructure/Increase net revenue

IT to expand non-tax revenues & improve productivity

Revitalize Town Infrastructure & Local Economy

Expand telecom infrastructure: public/private partnerships

Deploy 21st century Information Technology.

Reverse road deterioration; coordinate with MS-4 improvements

Develop a Multi-year Capital Plan & Budgets

Strengthen Accountability & Transparency

Audit Committee and other CPF reforms

Quarterly public financial reports posted to Town web site.

Town Administrator: continuity & financial management skills

Specific Areas of Focus

- Clean Water
- IT & Related Productivity
- Town-wide Telecom Infrastructure
- Roadway Repair & Drainage (MS-4)
- A Capital Plan & Budgets
- CPF Operations & Accountability
- Financial Reporting/Transparency

Recommendations: Info. Technology

Build on Considerable improvements by existing staff

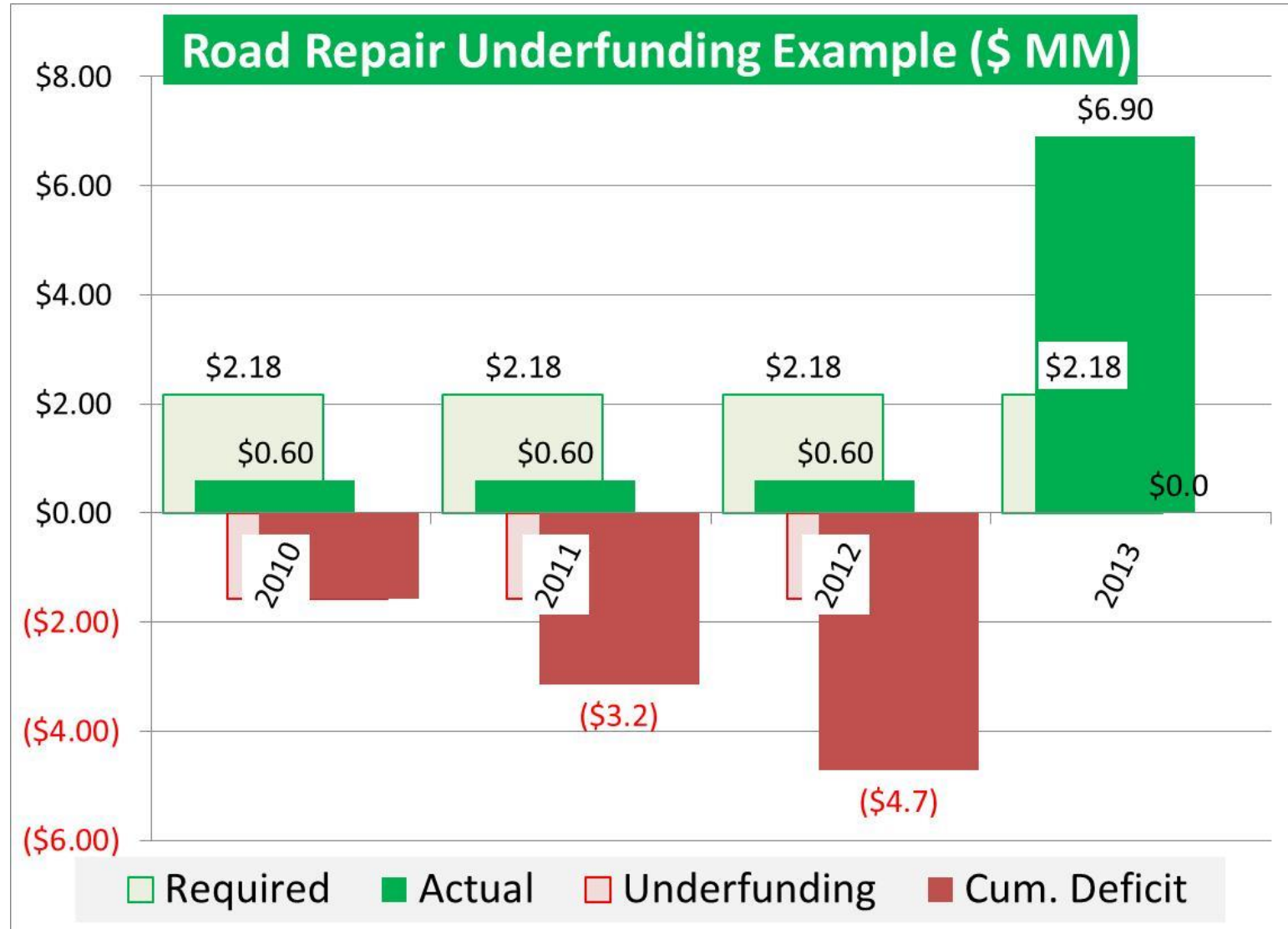
- 1. Coordinate all IT personnel under unified management.**
- 2. Centralize all IT purchases & practices.**
- 3. Deploy “e-gov” component for businesses**
 - Will pay for property records services
 - \$80,000 investment generates \$100,000 annual savings.
 - Saves businesses time and money.
 - Improves access for citizens/saves staff time
- 4. Add 2 new “true” IT positions by FY2013.**
- 5. Budget Cross-training for departments using new systems.**
- 6. Establish Student Internship Programs**
- 7. Coordinate Best Practices with other Government Entities**

Road Repairs: Annual Requirements

(excluding micropaving)

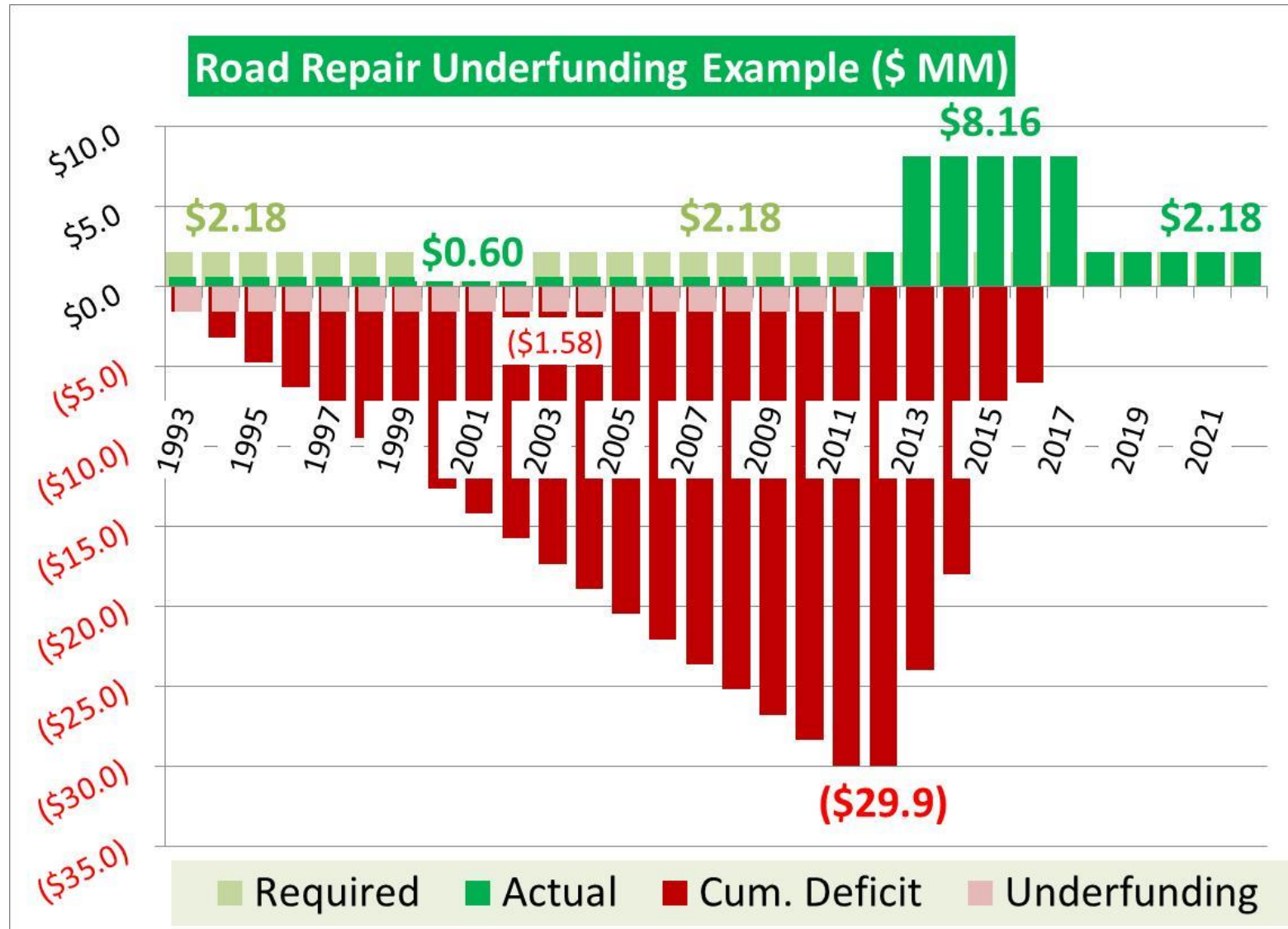
Secondary Roads	High Use	Low Use	TOTAL/ AVG.
Total Town-maintained Roads (miles)	20	250	270
Average Life (years)	10	20	19.3
Required Annual Repaving Rate (miles)	2	12.5	14.5
Current Annual Repaving Rate (miles)			(4.0)
ANNUAL PAVING SHORTFALL (MILES)			10.5

Road Repairs: Past Underfunding



All amounts shown in millions of current (2012) dollars

Road Repairs: Past Underfunding



All amounts shown in millions of current (2012) dollars

Recommendations: Roads & Drainage

Develop multi-year Plan

- 1. Repave (Not Micro-) At Least 14.5 Miles Annually**
- 2. Coordinate Repaving & Ms-4: Minimize Rework**
- 3. Assert Greater Control Over How Funds Spent**
- 4. Hire Engineer to Develop “catch up” plan (past underfunding)**
- 5. Develop Long Term Capital Budget & Financing Plan**
 - a. Finance with 15-20 year bonds/level debt service
- 6. Incorporate Into Capital Plan (See Below)**
 - a. Capitalize Repairs/Depreciate to reflect useful life
 - b. Fund Depreciation in Future Budgets.
- 7. Special Taxing Districts For Undedicated Roads (UR)?**

Recommendations: Telecommunications

1. Wireless Data & Voice Capacity: Core Infrastructure

- Recognize current inadequacies
- Promote safety, security and economic development
- Create excellent coverage across the entire Town.

2. Increase Town's Telecom Revenues

- Aggressive lease management and negotiation
- Build-out to meet future coverage & capacity requirements.

3. Engage Consultant to Develop a Town-wide Plan

- Data AND voice capacity for all Major Carriers.
- Upgrade existing towers/construct new (mini) towers.
- Maximize Town Revenue: Manage new/renewed tower leases
- Feasibility of private investment/ownership/management

4. Reconcile Current Infrastructure & Code with Future Needs

- Review Town Wireless Code
- Consider a Town Telecommunications Authority

Recommendations: Capital Plan+Budgets

1. THREE TO FIVE YEAR PLAN

- Clean Water/Comprehensive Septic Management System (COSMAP)
- Road Repair & Drainage Plan (MS-4).
- IT equipment and software.
- Telecom infrastructure development
- Buildings & Motor Fleet

2. CONTINUE COST REDUCTIONS

- Make room for financing capital expenditures.
- Utilize remaining 2% cap space to finance capital budget.

3. EXCEED 2 PERCENT CAP ONLY AS LAST RESORT

- Exhaust all other options, e.g. cost cutting, first
- Separate line item on Tax Bill for accumulated deficit debt
- Raise cap only to extent needed to finance deficit debt service

4. TAX-EXEMPT BONDS & OTHER FUNDING SOURCES

- Tax revenues, surpluses, grants, etc.
- Bonds should not exceed life of assets financed
- Bonds docs help control how proceeds used, e.g. Highway Fund

Recommendations: CPF Operations

1. MANAGEMENT PLANS FOR NEW & EXISTING PROPERTIES

2. ESTABLISH A CPF AUDIT COMMITTEE

- accountant, lawyer, Budget Officer, Land Acquisition & Management, etc.
- meet with inside & outside accountants before annual audit is finalized.
- review acquisitions & stewardship \$\$\$s for conformance with CPF law, etc.
- review allocations of expenditures between Town and CPF funds.
- report to CPF Advisory Committee, Town Board and public.
- CPF audit review function outside Town's sole control.

3. NEW USES OF CPF FUNDS

- Assist Fishing Industry
 - ✓ Ownership of bottom lands, inventory of private/Trustees ownership
 - ✓ Purchase state or federal government leases/licenses for underwater lands?
- Water Management
- Deer Management

Recommendations: Financial Reporting/Transparency

Continue to Increase Transparency so Past Abuses Can Never Be Repeated.....

1. QUARTERLY SUMMARY REPORTS

- **ONE PAGE SUMMARY + ONE PAGE FOR EACH FUND**
- **EACH PAGE:** Cash Flow vs. Budget + Changes in Fund Balances
- As understandable as corporate financial reports
- Emulate Southampton's financial reports
- Can be done with current software and staffing.

2. POST PROMPTLY TO TOWN WEBSITE

- Quarterly public Summary Reports (see above)
- Annual Audited Financial Reports
- NYS Comptroller's budget comments & Town's responses
- Capital Budget when available

3. CONTINUE TO IMPROVE & REFINE