

DEBT SERVICE PRINCIPAL

PROGRAM DESCRIPTION

This appropriation includes amounts for payment of principal on School and Town Bonds issues by the Town. A summary of scheduled debt payments is shown below.

PROGRAM COMMENTARY

This appropriation reflects a decrease of \$10,000 or -.62%. Debt payments relating to sewers are paid directly by the WPCA.

Debt Service Principal Table

DESCRIPTION	Issue Date	Maturity Date	Original Amount	Interest Rate	Actual 2007	Estimated 2008	Proposed 2009
Public Water System	2/1/2006	2/1/2021	\$ 712,200	3.40-5.00%	\$ 50,000	\$ 50,000	\$ 55,000
School Water, Public Works & Recreation	2/1/2006	2/1/2021	\$ 2,462,800	3.40-5.00%	\$ 200,000	\$ 200,000	\$ 195,000
Athletic Facility / Fire Tankers	8/15/2002	8/15/2017	\$ 2,345,000	3.00-4.125%	\$ 175,000	\$ 175,000	\$ 175,000
Advanced Refunding 2003	4/1/2003	7/15/2014	\$ 4,005,000	3.375-4.10%	\$ 355,000	\$ 350,000	\$ 355,000
Advanced Refunding 1999	6/15/1999	10/15/2010	\$ 10,100,000	3.75-4.6%	\$ 845,000	\$ 835,000	\$ 820,000
TOTALS					\$ 1,625,000	\$ 1,610,000	\$ 1,600,000

A schedule of future principal payments for general fund supported debt (issued & authorized) is presented below.

	Total Principal Payments
2010	\$ 1,770,000
2011	1,410,000
2012	965,000
2013	955,000
2014	875,000
2015	870,000
2016	550,000
2017	475,000
2018	475,000
2019	350,000
2020	350,000
2021	350,000
2022	200,000
2023	200,000
2024	200,000
TOTAL	\$ 9,995,000

DEBT SERVICE INTEREST

PROGRAM DESCRIPTION

This appropriation includes amounts for payment of interest on School and Town Bonds issues by the Town. A summary of scheduled interest payments is shown below.

PROGRAM COMMENTARY

This appropriation reflects a decrease of \$62,326 or -16.70%. Debt payments relating to sewers are paid directly by the WPCA.

Debt Service Interest Table

DESCRIPTION	Issue Date	Maturity Date	Original Amount	Interest Rate	Actual 2007	Estimated 2008	Proposed 2009
Bond Anticipation Notes - School Water	2/1/2006	1/30/2007	\$ 425,000	3.29%	\$ 14,025	\$ -	\$ -
Public Water System	2/1/2006	2/1/2021	\$ 712,200	3.40-5.00%	\$ 27,017	\$ 25,267	\$ 23,517
School Water, Public Works & Recreation	2/1/2006	2/1/2021	\$ 2,462,800	3.40-5.00%	\$ 93,458	\$ 86,458	\$ 79,458
Athletic Facility / Fire Tankers	8/15/2002	8/15/2017	\$ 2,345,000	3.00-4.125%	\$ 62,901	\$ 57,432	\$ 51,745
Advanced Refunding 2003	4/1/2003	7/15/2014	\$ 4,005,000	3.375-4.10%	\$ 105,269	\$ 93,372	\$ 81,476
Advanced Refunding 1999	6/15/1999	10/15/2010	\$ 10,100,000	3.75-4.6%	\$ 146,420	\$ 110,723	\$ 74,730
TOTALS					\$ 449,090	\$ 373,252	\$ 310,926

A schedule of future interest payments for general fund supported debt (issued & authorized) is presented below.

	Total Interest Payments
2010	\$ 371,039
2011	\$ 307,694
2012	\$ 262,122
2013	\$ 225,698
2014	\$ 189,502
2015	\$ 152,005
2016	\$ 120,882
2017	\$ 99,344
2018	\$ 80,328
2019	\$ 63,700
2020	\$ 49,575
2021	\$ 35,450
2022	\$ 21,250
2023	\$ 12,750
2024	\$ 4,250
TOTAL	\$ 1,995,589

CAPITAL BUDGET

PROGRAM DESCRIPTION

Each year, the Town allocates funds to the Capital and Non-Recurring Expenditures Fund to defray costs of various capital improvements planned for the budget year and future years including equipment that may be financed for more than one year. The Capital Improvement Plan provides an effective means of preserving as well as adding to the physical assets of the Town. This type of plan is especially vital for a growing community like East Hampton. Maintenance of the level of public safety and welfare of its citizens depends upon the continued improvement and expansion of the Town's physical and capital plan.

BENEFITS

The benefits of a Capital Improvement Plan are numerous. An annual presentation of a capital plan can serve as a measure of the Town's fiscal awareness as well as the efficiency and progressiveness of the Town's operation. The Capital Improvement Plan is a means of coordinating and centralizing the request of various departments and agencies, thus eliminating wasteful overlap, duplication, and delay. Additionally, the program allows more time for study of projects and encourages public discussion of proposed undertakings.

PROJECTS TO BE INCLUDED

A capital improvement is a major nonrecurring improvement or betterment to the physical plan of the Town. It does not include ordinary recurring repairs or maintenance. Examples of capital improvements would be new or remodeled public buildings, new or improved streets, storm drains and culverts, parks, land acquisition, and engineering plans.

PROCESS

Town agency and department heads responsible for capital projects assembled their request and submitted same to the Finance Director as directed by the Town Manager. The Town Manager held three staff meetings for the department heads to explain their projects, review costs, and layout a draft five-year plan. At the last staff meeting, the Manager and agency heads discussed the proposed level of expenditures and priorities. Finally, the Town Manager listed the priorities based upon staff input and with a direction toward affordability arrived at a bottom line figure to be forwarded on to the elected officials "Capital Improvement Committee" composed of a member of the Town Council, a member of the Board of Finance and a member of the Board of Education. The Capital Improvement Committee will then meet with the Town Manager and staff and then make any additional comments and recommendations they deem appropriate, and this will be forwarded to the Board of Finance as a part of the Town Manager's overall town budget to be submitted to the Board of Finance and Town Council.

ACCOMPLISHMENTS

Since July 2006, the Town completed a number of major capital improvements. These projects include:

- Convert boiler at the Public Works Garage to burn waste oil
- Facility study
- Completion of the Middle School & High School water system upgrade
- Debris removal from Sears Park
- Painting of all structures at Sears Park
- Asbestos removal & re-tile at the Middle School
- Completion of the Middle School and Memorial School fire alarm panel upgrade
- Window blind replacement and screen installation at Center School
- Air conditioning chiller replacement at the Community Center
- Land acquisition of the Walters property
- The completion of the Ola Ave. and Hale Road improvement projects
- Town Center Fire System
- Replace Town Hall retaining wall
- Removed underground tank and installed above ground tank at Town Hall
- Repair building exterior and stained the Community Center

CONCLUSION

In reviewing the Capital Improvement Plan, it is important to remember that this program is one of the community's most significant physical and financial planning tools. Objectives set forth in this plan and succeeding plans shall significantly influence the standard of facilities and services East Hampton provides its citizens in the future. As such, careful analysis and evaluation is necessary if this plan is to serve as a rational planning guideline for the improvement of the community.

BUDGET COMMENTARY

The department requests for the Capital budget totaled \$1,663,900; the Town Manager reduced that request by \$351,000, or 21%. The Manager's total proposed Capital budget of \$1,312,400 represents an increase of \$178,350 over the FY08 appropriation. The funding for the \$1,312,400 comes from the General Fund (\$1,197,726) and settlement funds from the Connecticut Resources Recovery Agency (\$114,674). Over the last 10 fiscal years the general fund has contributed over \$8,100,000 to the capital reserve fund.

CAPITAL COMMITTEE RECOMMENDATION

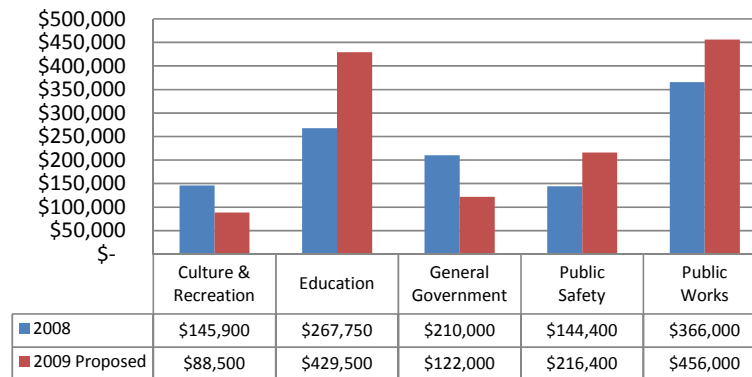
The Capital Committee has recommended the following adjustments to the Town Manager's proposed capital plan:

- Reallocate funding requested by the Board of Education for greenhouse repairs (\$15,000) to the capital contingency account.
- Reduce the Fire Department's request for a utility vehicle for company #2 (\$20,000) and reallocate funding approved in FY 2007-2008 (\$20,000) towards a new Fire Chief's vehicle.
- Reduce the Fire Departments request for a new Fire Chief's vehicle of \$35,000 to \$15,000.

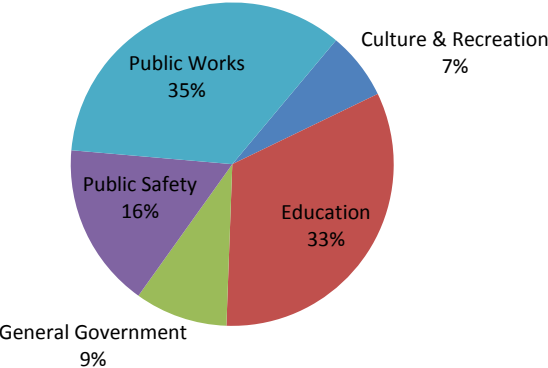
The net change to the Town Manager's proposed capital plan is a decrease of \$40,000. The committee's recommended capital plan is \$1,272,400. Funding for this year's operation budget is based on the Town Manager's recommendation.

The following charts present the capital funding by major function as recommended by the Town Manager

Comparison of General Fund Capital Reserve Funding by Major Function



**2008-2009 Allocation % by Function
Town Manager Proposed**



The Town has issued under separate cover its 5 year capital plan. This document can be obtained on the Town's web page www.easthamptonct.gov.

2008-2009 Capital Plan

Buildings & Grounds

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
BOE Central Office	Door replacement	General Fund	\$20,000	\$20,000	\$20,000
BOE Central Office	Painting	General Fund	\$25,000	\$25,000	\$25,000
BOE Central Office	Lead Abatement	General Fund	\$35,000	\$35,000	\$35,000
Fire Department	Company #1 - Misc. repairs	General Fund	\$15,000	\$15,000	\$15,000
Fire Department	Company #2 - New generator	General Fund	\$37,000	\$37,000	\$37,000
Fire Department	Storage building Co. #1	General Fund	\$12,000	\$0	\$0
High School	Greenhouse repairs	General Fund	\$15,000	\$15,000	\$0
High School	Re-key building	General Fund	\$15,000	\$0	\$0
High School	Auditorium light board	General Fund	\$7,500	\$0	\$0
High School	Classroom phones (digital)	General Fund	\$10,000	\$0	\$0
High School	Track resurface sinking fund	General Fund	\$15,000	\$15,000	\$15,000
High School	Building Envelope Repairs	General Fund	\$25,000	\$25,000	\$25,000
High School	Tennis court repairs	General Fund	\$10,000	\$10,000	\$10,000
High School	Door Hardware Replacement (Exterior)	General Fund	\$50,000	\$50,000	\$50,000
Library / Community Center	Replace phone system	General Fund	\$9,000	\$10,000	\$10,000
Library / Community Center	ADA Doors	General Fund	\$20,000	\$20,000	\$20,000
Memorial / Center	Replace phone systems	General Fund	\$75,000	\$65,000	\$65,000
Memorial School	Playscape repairs	General Fund	\$12,000	\$12,000	\$12,000
Middle School	Technology Wiring Upgrade	General Fund	\$98,000	\$0	\$0
Parks & Recreation	Sears Park Fencing	General Fund	\$25,000	\$0	\$0
Parks & Recreation	Sears Park Bathhouse Repairs	General Fund	\$9,500	\$9,500	\$9,500

2008-2009 Capital Plan

Buildings & Grounds

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
Parks & Recreation	Sears Park Drainage Improvements	General Fund	\$8,500	\$8,500	\$8,500
Parks & Recreation	Skateboard park ramps	General Fund	\$25,000	\$0	\$0
Parks & Recreation	Park & Rec. Feasibility Study	General Fund	\$20,000	\$0	\$0
Public Works	Town garage - exhaust	General Fund	\$11,000	\$11,000	\$11,000
Senior Center	Furnishings	General Fund	\$7,500	\$7,500	\$7,500
Sub-total			\$612,000	\$390,500	\$375,500

Equipment

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
Fire Department	Turnout gear	General Fund	\$8,000	\$8,000	\$8,000
Parks & Recreation	Mower	General Fund	\$15,000	\$15,000	\$15,000
Police Department	Tasers	General Fund	\$6,000	\$6,000	\$6,000
Police Department	Weapons upgrade	General Fund	\$9,000	\$9,000	\$9,000
Sub-total			\$38,000	\$38,000	\$38,000

Other

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
Board of Education	Microfilming/Scanning Education Records	General Fund	\$7,500	\$7,500	\$7,500
Contingency	Contingency	General Fund		\$25,000	\$40,000
Parks & Recreation	Lake Enhancement/Monitoring	General Fund	\$8,000	\$8,000	\$8,000
Public Works	Update road capital improvement study	General Fund	\$30,000	\$30,000	\$30,000
Tax Assessor	Revaluation	General Fund	\$30,000	\$30,000	\$30,000

2008-2009 Capital Plan

Other

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
Town Wide	Sinking fund for debt service	General Fund	\$95,000	\$0	\$0
Town Wide	G.I.S. Mapping	General Fund	\$80,000	\$40,000	\$40,000
Sub-total			\$250,500	\$140,500	\$155,500

Roads / Sidewalks

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
Public Works	Upgrade unimproved roads	General Fund	\$135,000	\$135,000	\$135,000
Public Works	Road Repair / Maintenance	General Fund	\$110,000	\$110,000	\$110,000
Sub-total			\$245,000	\$245,000	\$245,000

Technology

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
Board of Education	Student management software	General Fund	\$100,000	\$100,000	\$100,000
Board of Education	Classroom Technology	General Fund	\$50,000	\$50,000	\$50,000
Fire Department	Fire Department technology upgrades	General Fund	\$10,000	\$10,000	\$10,000
General Government	Computer Purchases (PC's, etc.)	General Fund	\$12,000	\$12,000	\$12,000
General Government	Upgrade servers / printers	General Fund	\$5,000	\$5,000	\$5,000
General Government	Upgrade/Enhance Software (Other)	General Fund	\$10,000	\$10,000	\$10,000
Police Department	Mobile Computers	General Fund	\$5,000	\$5,000	\$5,000
Sub-total			\$192,000	\$192,000	\$192,000

2008-2009 Capital Plan

Vehicles

Department	Project Name	Funding Source	Department Request 08-09	Town Manager Approved 08-09	Committee Approved 08-09
Fire Department	Chief's vehicle	General Fund	\$35,000	\$35,000	\$15,000
Fire Department	Utility vehicle for Co. 2	General Fund	\$20,000	\$20,000	\$0
Fire Department	Sinking fund for Fire vehicle repairs	General Fund	\$10,400	\$10,400	\$10,400
Police Department	Cruisers and Conversion Equip.	General Fund	\$55,000	\$55,000	\$55,000
Police Department	Sinking fund for Police vehicle repairs	General Fund	\$6,000	\$6,000	\$6,000
Public Works	Replacement Dump Truck (1983)	General Fund	\$190,000	\$170,000	\$170,000
Senior Center	Senior Center Bus (Grant match)	General Fund	\$10,000	\$10,000	\$10,000
Sub-total			\$326,400	\$306,400	\$266,400
Grand Total			\$1,663,900	\$1,312,400	\$1,272,400

**Town of East Hampton
Town Manager Proposed 2008-2009 Budget
By Org & Object**

FUND: GENERAL FUND	2007 Actual	2008 Revised Bud	2008 YTD Exp.	2009 Detail	2009 \$ Change
01810000 - Operating Transfers Out					
5918 Water system	75,882	55,000	0	60,000	5,000
5920 Public water system	22,983	124,733	0	95,000	(29,733)
5924 Capital reserve	1,298,351	999,240	0	1,197,726	198,486
5930 Operating transfers out-Other	150,000	0	0	0	0
5933 Transfer to Comp. Absences Fnd	0	25,000	0	30,000	5,000
<i>Transfer to fund the compensated absences reserve fund.</i>				30,000	
Total Operating Transfers Out	1,547,216	1,203,973	0	1,382,726	178,753
				Percent change	14.85 %