

**Town of East Haven
Board of Finance –Regular Meeting Minutes
Wednesday, May 21, 2014**

The East Haven Board of Finance held its Regular Meeting on Wednesday May 21, 2014 at 7:00 P.M. in the Mario Giaimo, Joseph Vitale Meeting Room on the lower level of East Haven Town Hall, 250 Main Street, East Haven, CT 06512

1. Roll Call

Ralph Vitale, Beth Purcell, Salvatore Maltese, Noreen Clough, Richard DePalma and Maria Tonelli - Present. Also in attendance Town Attorney - Mr. Joseph Zullo, Finance Director, Mr. Paul Rizza, Police Chief, Mr. Brent Larrabee, Library Director Mr. Bruce George, Town Council Chairman, Mr. Richard Anania, and Tax Collector Ms. Lisa Basilicato.

2. Read and Approve Amended Minutes from Regular Meeting held April 16, 2014

Richard DePalma makes a motion to accept amended minutes. Noreen Clough seconds. Roll Call Vote. - All in Favor - Motion Carries.

3. Old Business

None

4. New Business

None

5. Public Comment

Town Council Chairman, Mr. Richard Anania, 50 David Drive, East Haven. With regard to item number 8 library. This item had come up at a budget meeting with the Town Council and is a sore subject. We found out that the library employees pay nothing, zero for medical. Every town employee pays something for medical. They are asking for money for that. We cannot put money into the budget for that, we went with the recommended budget. I am urging this board NOT to take money out of the contingency fund to pay for the employees medical benefits to bring them up to date. They have not paid in years and that is not our fault. I don't know who is fault it is but I do not feel that the tax payers money should be used to pay for employees medical that they have never contributed for, AND we are in negotiations with all our town unions right now, how would that look? We are asking them to contribute more and they are asking for us to pay for their employees medical? That does not look good for all the other unions in town we are negotiating with. I am asking this board NOT to authorize any money to pay for that. Thank you.

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6. Tax Department – Suspense List Presentation Fiscal Year 2013-2014

Presentation of the Suspense List for the Fiscal Year 2013-2014 - Discussion and Approval for Recommendation to the Town Council in the amount of \$261,899.44

Richard DePalma makes a motion. Noreen Clough seconds. Discussion. Tax Collector Lisa Basilicato. Our collections are much better and we are working more efficiently with motor vehicle. Noreen Clough states she is pleased to see the list lower than usual. Lisa states this list will be transferred to suspense and next time this year with what is left uncollected will be transferred to a collection agency so it is still collectable and we will pursue the money.

Noreen Clough makes a recommendation to move to the Town Council. Richard DePalma seconds. Roll Call Vote. All in Favor. Motion Carries.

7. Tax Department

To:	01-106-0668	Attorney Fees	\$4,300.00
From:	01-885-0689	Contingency	\$4,300.00

To fund foreclosure expenses.

Noreen Clough makes a motion. Richard DePalma seconds. Discussion. Lisa Basilicato states that we have expended everything but .14 cents in that account and we are required to pay upfront for these fees. Attorney Zullo states that this is committee fee for the foreclosure sale; we will make up this fee from the sale of the foreclosed homes. Roll Call Vote. All in Favor. Motion Carries.

8. Library

To:	01-551-0905	HMO	\$9,414.00
From:	01-885-0689	Contingency	\$9,414.00

Shortfall in funds in HMO account for Health Insurance.

Noreen Clough makes a motion. Richard DePalma seconds. Discussion.

Library Director, Mr. Bruce George states that the library in 2010/2011 had a cost increase of its health insurance and was never able to compensate for that increase. In the current years budget the library put in for a 6% increase in health insurance which was approved and the actual increase was 15%. So between the increase and going back in time the library is \$18,800 short

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in its health insurance cost. Richard DePalma states he is looking over the last 3 years and it looks like you were short in 2011/12 - \$10,000 then in 2012/13 you were short \$7,300.00 and then this year you are short approx.. \$18,000. Mr. Bruce George states yes to all questions. Richard DePalma states this is the first time in my tenure on this board that the library has ever come before us for a transfer. How did you make up for the shortfall the previous years ...from your budget? Mr. Bruce George states yes within our budget. Also the previous director not being there for a period of time also compensated for some of the monies for the cost from non-used salary. Richard DePalma states and you're short for this year as well. Bruce George states we have paid the first half bill which was \$9,200 from the book budget, we have our second half bill due from Jan thru June which we face another \$9,400 shortfall so that is the request from contingency. Richard DePalma states I see you have requested for next year as well based on these numbers. Bruce George states we are working quite hard right now to work within our budget allocation of \$117,000, we are facing some challenges meeting that cost. We are down to a high deductible plan, which staff has accepted, but we have had a change given the new laws of someone wanting to add a family member onto the plan. Now we are challenged on how to meet that request. Now we are looking at a health savings account that is at a high deductible, we are trying to create incentives here. Sal Maltese asks moving forward with your health insurance are you making any of the people pay for their health insurance moving forward or is it still status quo? Are you looking at the higher deductible, because in todays world people are paying for health insurance and as we go forward here it is so hard to look at this and just allocate \$9,400 when I have to agree when we have ongoing negotiations it just sets a precedence to me that I cannot see doing, but I want to know from your moving forward, are you having them pay for some of the portions of health insurance to get you over the shortfalls because you are just going the have the same problem next year. Cost Sharing for instance? Mr. Rizza states the plans he is looking at are flowing through the town. It will be a better rate then if he went by himself. He has a couple of different options. Maria Tonelli states that her career, she has been in library for over thirty years and has studied this one to figure out what the problem was, I am not saying it is an easy solution but I am saying that East Haven is not unique and that the library is sort of separate and distinct from the other departments in the town, but I am just wondering if the lower salaries is because the medical is not being paid by the individuals? Beth Purcell states at the May 6th Town Council meeting there was discussion about this subject and the difference between the library employees and the town employees and it was explained in that meeting that the contribution that we give is basically a donation. Paul Rizza stated that Attorney Zullo called it a "Contribution", the library is a separate entity. Beth Purcell states and those employees are not town employees. Mr. Rizza states she is correct. Beth Purcell states but yet we fund a portion to operate their business, I don't know what the other endowment piece is covering. Richard DePalma states that the endowment is very little and is only a fraction of the interest, and may average \$30 – 40,000 a year and is meniscal. Maria Tonelli states yes but its \$40,000 less that the town has to give them. Richard DePalma states he understands that but if you're saying the endowment is a line share of the income, no the endowment is meniscal to the \$700,000 that we are giving them. Beth Purcell states but yet we are asking all of our town

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Employees not to take raises and everything else I think \$9,000 is significant when we are transferring more out of the budget. Ralph Vitale asks if we are getting reports from the library with regard to finances. Paul Rizza states yes and they will be monthly and it will appear in your agenda every month. Richard DePalma states that there is very little money unexpended except for salary, electricity, medical, other those line items there is not money to transfer hence a shortfall. Beth Purcell asks Bruce George can any new employees be on a different benefit plan? Bruce George states we have a long time staff and no new employees for several years; the trustee will be evaluating a new employee manual and will be forming a committee in June to consider those matters. Sal Maltese states he will ask againBruce George states – I can give you the best answer at this point because of the high deductible plan the increase, there will be an increase but we are not certain what it will be, we are still in the process of figuring this out, we had an employee come and request for a child be put on the plan that was not there before, the deductible is high and we are not sure what the percentage is at this point, we wanted to honestly keep it lower the first year because it is a change to the employees and have not had a pay raise in 3 years and they are considering this as a pay decrease. Richard DePalma mentions that most of the employees or all of the employees paying some type of deductible but they are also receiving a contractual 1 or 2% raises every year. Paul Rizza states the contracts that are currently being negotiated on the town side July 1st will be 2 years in arrears – we are not negotiating any retro – the people that are police and every other Union have not received a pay raise in 2 years. Hopefully if we settle now they will get a raise as of July 1st, but really be nothing because medical will be going up. Sal Maltese states all he asks is a cost share moving forward. Richard DePalma states a higher deductible or cost sharing they are still going to be making less money. Sal Maltese states I understand that but that is national. Richard DePalma states it may be national but what's fair is fair. Maria Tonelli comments that not to single out our educational department but teachers, administrators, principals, and assistant principals are probably very very competitive in the amount of money they see every year, Bruce is making at least \$20,000 less than someone in that position should make in any town, you got a bargain here. Sal Maltese states that is not the issue. Maria Tonelli comments it is the issue, you have been getting a bargain for a long long time. Sal Maltese states again that is not the issue here, the issue is the \$9,000; it is not about his salary or anything else. Maria Tonelli states but it is part of the equation, the medical is not being paid by them because they are getting cheated in the way they get paid every week. Sal Maltese states you can say that about any employee. Maria Tonelli comments no this is an isolated situation; your schools do not have this issue. Richard DePalma, I think that they are making an effort going forward to rectify it and we make transfers every month year after year, seasonal employees every year we under fund it and every year we make transfers into that account to pay for the salaries of that employee. My 16 years I have transferred money into that account. Beth Purcell states yes from within this budget. Richard DePalma states not always. Beth Purcell comments, well I have not seen that yet. Maria Tonelli I have sat here and transferred hundreds of thousands of dollars for legal fees and honestly I cannot understand what the problem is with this.

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Roll Call Vote: Sal Maltese – NO, Beth Purcell –NO, Richard DePalma – YES, Noreen Clough – YES, Ralph Vitale – NO, Maria Tonelli – YES. Motion Fails, (Tie). 3 – YES , 3- NO

Mr. Ralph Vitale calls upon Attorney Zullo for advice. Attorney Zullo states that if the board were to take a recess and the Mayor were summoned the motion can be re-brought up and re-discussed and added to the agenda he is the tie breaker, or you can add it to a future meeting, or keep voting until someone changes their mind.

Ralph Vitale states we can add it to the next agenda seems to be the best bet on June 18, 2014. All are in Favor.

9. Library

Library Report & Correspondence for Discussion.

Beth Purcell states that the BC/BS line they have spent less than half right now is that a 6 month? Bruce George stated that they have put into those lines with the money we withdrew from book funds to compensate for those lines and we still be short. Richard DePalma asks how much money have you taken from library type accounts and put into Blue Cross. Bruce George states the \$9400, it was taken primarily from book budgets. Maria Tonelli states and they have a pitiful book budget already. Beth Purcell asks when you do this report in the future that the budget shows on here so I can see the transfers made from where they were to where they are going.

Ralph Vitale calls for a motion for number 10 to add to the agenda. Beth Purcell makes a motion to add number 10 for Police. Sal Maltese seconds the motion. Roll Call Vote. All in Favor. Motion Carries.

Ralph Vitale calls for a Republican Caucus.

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10. Police

To:	Protective Safety	\$4,320.00
	Waste Collection & Disp.	\$ 271.00
	Clothing & Uniforms	<u>\$2,927.00</u>
		\$7,518.00
From:	Prof. Devel & Training	\$4,320.00
	Prof. Devel & Training	\$ 271.00
	SCJAC – MATCH	<u>\$2,927.00</u>
		\$7,518.00

1. To cover protective vests for new recruits that are not covered under the grant and pay an outstanding invoice.
2. To cover the annual increase to pay an outstanding invoice.
3. To cover reimbursements for new recruits' initial clothing allowance paid out-of-pocket; pursuant to Article IX of the Police Local 1662 Collective Bargaining Agreement.

Beth Purcell makes the motion to discuss. Sal Maltese seconds the motion. Discussion. Noreen Clough asks Chief Larrabee if he has more people on the road. Chief Larrabee states not yet but we are getting close. The two people on long term injury are back. It does not have anything to do with this but since you are asking...there are 4 trainees that will be ready mid-June, so there is 6, tow out of the academy late June and start their 400 something hours and 6 in New Haven who are about 3-4 weeks into training so relief is forthcoming. The dispatchers are coming along so relief there as well and will cut back on our dispatching O/T. Remember in two years in a 52 person department we have hired 26 people and a lot of people do not know that and you are paying double for O/T, training, and vacancies. These are standard protective vests we did not have enough to cover professional development, and everyone says well what about your training, our training is all taken care it has been paid for and done, any training left in June will be on the Department of Justice and will not be out of the towns budget. The SCJAC is the South Central match; we did not use them for training or testing so that is why we have some money there left so we can move it into clothing and uniforms. Roll Call Vote – All in Favor – Motion Carries.

11. Adjournment

Richard DePalma makes a motion to adjourn at 7:40 p.m. Beth Purcell seconds. All in Favor. Motion Carries

Temple Smith
Board of Finance Clerk