

**East Haven Board of Finance
Regular Meeting Minutes - Revised
February 15, 2016**

The East Haven Board of Finance held its' Regular Meeting on Wednesday February 15, 2016 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

Noreen Clough, Bob Schumitz, Beth Purcell, Richard DePalma were present. Also in attendance were Town Finance Director Paul Rizza, Town Attorney Joseph Zullo, and Tax Collector Lucille Huelin. Absent - Vice Chairman Ralph Vitale and Nicole Clark

Noreen Clough makes a motion to appoint Richard DePalma as temporary chairperson. Beth Purcell seconds. All in Favor. Motion Carried.

2. Read and Approve Minutes from Regular Meeting held December 14, 2016.

Noreen Clough made a motion to approve the minutes. Beth Purcell seconded the motion. All in Favor. Motion Carried.

3. Old Business

None

4. New Business

None

5. Public Comment

None

6. Presentation of 15/16 Audit from Auditor

Auditor Joe Centofanti read the attached Presentation of the Audited Financial Statement attached. Hand out booklets for town finances as well as federal and state were given to the board for further review.

Richard DePalma asks Paul if the Board of Education could come before the Board of Finance or a representative of the finance department to every month to review. Paul Rizza states that he does not think the charter outlines that. Richard states that in the past they have. Jason and Patty Lewis use to come before the board on a monthly basis. Paul Rizza states that the board would have to make the request directly to the superintendent. Richard asks then what about a report and if we have any questions we can report directly to them. The board wants to have a better handle as to what is being spent so that come budget time they have a better understanding of their expenditures especially when it gets closer to budget time. Paul states that he will give the board a report every month for the board to review.

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Attorney Joe Zullo asks regarding the abatement issue does that mean we have a tax deferral program meaning that someone comes into town and does over 3 million dollars' worth of improvements we phase in their taxes over a 10 year period. If somebody takes advantage of that is that the kind of thing we would have to report under that abatement or are we talking a total forgiveness? Joe Centofanti states that you do not have report it individually but you have to have the same level of detail you would not report something small or name names but you have to describe the program and the dollar totals. Richard DePalma asks how underfunded are we with the teacher long term liability. Paul states what he received from the state and the budget we would have to pay them a little over 2.2 million dollars for 17/18 fiscal year budget and it would be due Dec 31st of 2017.

7. Review of 17/18 Budget Workshop Calendar

This is not the final workshop calendar the board agreed at a date and day revision for the return of the budget date. Attorney Zullo will send out a revised copy for filing to the board. The dated regular meeting on March 15th will be canceled and a special meeting will be scheduled for March 23rd.

Roll Call Vote – All in Favor – Motion Carried.

8. Employee Benefits

To: 01-167-0904 Life Insurance \$10,000.00

From: 01-167-0965 Unemployment Compensation \$10,000.00

Transfer needed to cover increase in premium and large number of retirements where retirees are still covered until 65 and replacement is adding to number of covered individuals.

Noreen Clough makes a motion. Beth Purcell seconds. Discussion. Paul Rizza states that there were a number of retirees for the first 6 months of the year and they are still covered by union contract until age 65.

Roll Call Vote – All in Favor – Motion Carried.

Add on Item:

Beth Purcell makes a motion to add on Legal and Lawyer Fees. Bob Schumitz seconds.

Roll Call Vote – All in Favor – Motion Carried.

8a.

Tax Department

To: 01-106-0668 Legal Fees \$5,000.00

From: 01-885-0689 Contingency Acct \$5,000.00

Payment for appraisal fee for public sale property by Attorney Zullo – This is a contested sale and there will be other charges. Accounts should be reimbursed when final.

Noreen Clough makes a motion. Beth Purcell seconds. Discussion. Attorney Zullo states that this is a tax foreclosure and it has delayed several times. We received an injunction to have them stop doing it so we can take it. The appraisal has had to do 3 separate appraisals as well as added expenditures.

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Lucille states that have awarded the appraisal and title searcher as well during the court case so there may added expenses as well.

Roll Call Vote – All in Favor – Motion Carried.

Noreen Clough makes a motion to add item 8b. As Discussion regarding Board of Education budget. Beth Purcell seconds. Roll Call Vote – All in Favor – Motion Carried.

8b. Board of Education Budget Discussion

Noreen makes a motion. Beth Purcell seconds – Discussion

Paul Rizza states that for both years there was a meeting a few weeks ago between the Mayor, Joe, and members from the BOE. We are hiring the audit firm to come back and review the old year for the over expenditure and see what has happened for the New Year. The town is paying for the audit. Our concern is if it happened once shame on us if it happens twice its unacceptable. I am trying to protect our fund balance. There will be reports generated from the auditor that you will see. What makes it different is that I am looking to get a projection from this and that will give us all a better idea and concrete information. I had a meeting last night with the BOE and came forth with a couple of recommendations as to how they do business up there to help correct some problems I have seen. Such as when they hire people where the funds are coming from. Another one was that they did not produce monthly reports. I made a recommendation that they start doing these and they go to the mayor, I and the BOF will receive them as well. Not just general fund, but grants, food service, etc. In looking at what was given to the auditor there were 4 areas of shortfall of monies, salary accounts, benefits, special education and transportation for special education. When we review the current year we are going to start in those 4 areas. Richard DePalma states that they knew going into last year they were underfunded. Did they take steps to adjust their payroll? Paul Rizza states it's hard to say. They were hiring people and funding incorrectly, that's why I made the recommendation I did. They were not allocating correctly as to where the money was coming from. There was a freeze allocated 2 months ago. Richard DePalma states he cannot fathom how they know they knew they did not have the money but kept on spending. Richard DePalma asks what Paul's best guess is on where the BOE is going to end up. Paul Rizza states out of 2 weeks ago they have reported \$80,000 so I am not sure where they will end up.

9. Adjournment

Noreen Clough makes a motion to adjourn at 8:22 pm. Beth Purcell seconds. All in Favor – Motion Carried.

Respectfully Submitted,

Temple Smith
Board of Finance Clerk