

Board of Finance
Regular Meeting – January 18, 2012
Minutes

The East Haven Board of Finance held a Regular Meeting on Wednesday, January 18, 2012 at 7:30 P.M. in the Mario Giaimo Joseph Vitale Meeting Room on the lower level of the East Haven Town Hall, 250 Main Street, East Haven, CT 06512.

1. Mayor Maturo called the meeting to order at 7:30 pm with the following members in attendance Mr. Salvatore Maltese, Mrs. Marlene Asid, Mrs. Beth Purcell, Mr. Richard DePalma, Mrs. Noreen Clough, and Mr. Ralph Vitale. Also present were Mr. Paul Rizza Director of Finance, Mr. Arthur DeSorbo, Director of Administration & Management, Town Attorney Mr. Joseph Zullo Jr., Town Council Members Mr. Robert Parente, Mr. Richard Anania, Mr. Judy Esposito and Mrs. Beverly Gravino and Town Clerk Ms. Stacy Piccirillo. In addition, Mr. Joseph Centofanti of J.H. Cohn, LLP, auditor was in attendance.
2. Mayor Maturo introduced Mrs. Temple Smith as the newly appointed permanent secretary/clerk for the Board of Finance.
3. Mrs. Clough made a motion to accept the minutes from the 12/14/2011 meeting, seconded by Mr. DePalma. All were in Favor, motion carried.
4. Correspondence Received – None
5. Correspondence Sent – None
6. Old Business – None
7. New Business – None
8. Mayor Maturo made an announcement that public comment will now be open at this time and in the future with a 2 minute time limit – there was none. Public comment session closed.
9. Discussion with Auditor concerning the Audit

Mayor Maturo introduced auditor Mr. Joseph Centofanti with J.H. Cohn, LLP. Mr. Centofanti begins a brief review of the audit bringing attention to particular page numbers for the board members review, particularly pages 4-10 “Management Analysis Summary” and recommended that all Board of

Finance members review this area as it pertained to what had transpired financially during the year 2011. Mrs. Clough stated that she is once again concerned about the Board of Education side of the audit and that the Board of Education holds up the audit findings year after year. Mrs. Clough asks Mr. Centofanti if his findings this year were any better and were any extensions needed. Mr. Centofanti stated no extensions were needed and that his findings this year for the Board of Education were better. Mr. Centofanti asked if there were any other questions regarding the audit. There were no other questions. Mayor Maturo thanked Mr. Centofanti for coming in this evening.

10. Town Council Advertising

To:	01-101-0610	Town Council Advertising	\$2,500.00
From:	01-885-0689	Contingency	\$2,500.00

Mrs. Clough motioned for discussion. Mr. DePalma seconded. All in Favor. Motion carried. Mr. Rizza, Director of Finance stated that one transfer was made and was tracked to being implemented on August 16, 2011 – this transfer did not appear on any agendas and was never voted upon or approved, it was an intra-departmental transfer. Mr. Vitale motioned to approve and accept transfer. Mrs. Clough seconded. All were in favor. Motion carried.

11. Town Council Advertising

To:	01-101-0610	Advertising	\$9,436.24
From:	01-885-0689	Contingency	\$9,436.24

Mrs. Clough motioned for discussion. Mr. DePalma seconded. All in Favor. Motion carried. Mr. Rizza, Director of Finance stated that Expenses for the Town Council advertising was charged directly to contingency. The transfer should have been made first then expended to the Town Council advertising account. The transfer was implemented on August 16, 2011. Mrs. Clough made a motion to approve and accept transfer. Mr. DePalma seconded. Mr. Maltese – Yes, Mrs. Asid – Yes, Mrs. Purcell – Yes, Mr.

DePalma – Yes, Mrs. Clough – Yes, Mr. Vitale – No; 5 – Yes, 1 - No. Motion carried.

12. Legal/Lawyer Fees Refer to Town Council

To:	01-113-0668	Legal/Lawyer Fees	\$49,500.00
From:	01-0885-0689	Contingency	\$49,500.00

Mrs. Clough motioned for discussion. Mr. DePalma seconded. All in Favor. Motion carried. Mayor Maturo asks Town Attorney Mr. Joseph Zullo to speak further upon the matter. Mr. Rizza first wanted to thank Attorney Zullo for his outlining and planning efforts. Attorney Zullo stated that on Nov. 30, 2011 he had sent a letter to Mayor Maturo indicating balances and scenarios. A transfer is needed to pay the current legal fees and bring the Town to the month of March. Attorney Zullo stated he will be back before the Board of Finance to request further funds if necessary. Attorney Zullo stated that two problems exist. First, there is only \$23,000 left of the \$400,000 budgeted in the Self Insurance Fund account and that secondly, \$377,000 of that money was used to pay legal fees when in Attorney Zullo's opinion this is not a sound accounting or legal practice. Mr. DePalma asked Mr. Rizza what accounts are bonded for and what is left in those accounts. Mr. DePalma also requested from Mr. Rizza a total balance on those accounts. Mr. Rizza stated he will get the information requested for Mr. DePalma. Mrs. Clough asked Attorney Zullo why the town pays 2 attorneys; Attorney James Cirello and Attorney Patricia Cofrancesco? Attorney Zullo explained, "If there is a conflict of interest in a particular case another attorney will take over the case in lieu of the conflict." Mrs. Clough requested if Attorney Zullo could obtain an update from Attorney Hugh Keef on all pending cases and Mr. DePalma requested a monthly report from Attorney Zullo for the Board of Finances review. Attorney Zullo agreed to both requests.

Mrs. Clough motioned to approve and accept referral. Mr. DePalma seconded. All in Favor. Motion carried.

13. Public Health

To:	01-440-0886	East Shore Health District	\$4,002.00
From:	01-885-0689	Contingency	\$4,002.00

Mrs. Clough motioned for discussion. Mr. DePalma seconded. All in Favor. Motion carried. Mr. Rizza explained that Funds are needed to pay the East Shore Health District. These funds are generated based on the town's population. Based on East Haven's population our bill was \$186,004 and dropped to \$182,000 per the Town Council. The first payment had been made in the amount of \$93,000 but we cannot make the second payment. Mrs. Clough motioned to approve and accept the transfer. Mr. DePalma seconded. All in Favor. Motion carried.

14. Employee Benefits Refer to Town Council

To:	01-167-0965	Unemployment Compensation	\$45,000.00
From:	01-885-0689	Contingency	\$45,000.00

Mrs. Clough motioned for discussion. Mr. DePalma seconded. All in Favor. Motion carried. Funds needed for Unemployment Compensation. Fiscal Year 10-11 expense \$50,300.00. Current year expense increase due to additional employees added and extension of benefit weeks. Mrs. Clough questioned Mr. Rizza if these numbers reflect 2012, if so it needed to state that on the attachments. Mr. DePalma suggests the same. Mr. Rizza stated that the numbers do reflect 2012 and agreed that the year 2010 could be added on. Mrs. Clough made a motion to approve and accept the referral. Mr. DePalma seconded. All in Favor. Motion carried.

15. Mr. DePalma by the request of Mr. Rizza made a motion to add an item to the agenda and number it 13 and move Monthly Revenue Report to 14. Number 14 on the agenda would read - Request of \$10,000 to account number 1010610 to account number 0885-0689 for funds needed to pay advertising in addition to adding agenda items 8 & 9 with 14 for a referral to the Town Council. Mrs. Clough seconded. All in Favor. Motion carried.

16. Monthly Revenue Report (Enclosed)

Mrs. Clough motioned for discussion. Mr. DePalma seconded. All in Favor. Motion carried. Mrs. Clough questioned overtime for Police and Fire Departments to Mr. Rizza. Mr. Rizza stated that the Police and Fire Departments are fine tuning their numbers and they do have some money in the budget for OT. Mrs. Clough asked "Without using any FEMA money?" Mr. Rizza stated - Yes. Mr. DePalma stated that there will be roughly \$300,000 in FEMA money that will be coming to those departments. Mr. DePalma requested that the Chief of Police issue a budget handout to the Board of Finance during the budget review process. Mr. Rizza stated he will let the Chief of Police, Mr. Gallo know about the request. Mr. DePalma stated that revenues are in good shape mainly due to real estate sales. Mayor Maturo stated that the town is not spending right now and collections are looking good. Mr. Maltese stated that revenues are coming in to various departments from the public which is a positive contributing factor. Mayor Maturo asked if there were any other questions or comments regarding the Monthly Revenue Report. There were none. Mrs. Clough motioned to approve and accept the Monthly Revenue Report. Mr. DePalma seconded. All in Favor. Motion carried.

17. Adjournment

Mrs. Clough made a motion to adjourn at 8:30pm. Mr. DePalma seconded. All in Favor. Motion carried.

Mrs. Temple Smith
BOF Secretary/Clerk