

**Town of East Haven, CT
Board of Finance – Amended Minutes
Special Meeting – May 24, 2012**

The East Haven Board of Finance held a Special Meeting on Thursday, May 24, 2012 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

Mr. Ralph Vitale called the meeting to order at 7:00 pm with the following members in attendance, Ms. Marlene Asid, Ms. Beth Purcell, and Ms. Noreen Clough and Mr. Salvatore Maltese. ABSENT – Mr. Richard DePalma. Also present were Mr. Paul Rizza Director of Finance, Town Attorney Joseph Zullo, Director of Administration and Management Mr. Arthur DeSorbo, Fire Chief Mr. Douglass Jackson, East Haven School Superintendent, Mr. Anthony Serio, Board of Education Chairman, Mr. Thomas Hennessey, Board of Education Member, Mr. Jim Farrell, Deputy Police Chief, Mr. John Mannion, Director of Building and Grounds, Mr. Joseph Travaglini and Town Engineer/Director of Public Service, Mr. Kevin White.

2. Public Comment – None

3. Discussion & Action on East Haven High School Chiller Repair & Re-Allocation

Discussion & Action regarding re-allocation of Board of Education FY 2011-12 Capital Funds in the amount of \$67,551.00 for repair of chiller #2 at East Haven High School. (Refer to Town Council)

Ms. Noreen Clough made a motion to discuss. Ms. Beth Purcell seconded. None Opposed. Motion carries. Ms. Noreen Clough asked Mr. Paul Rizza about the quote for the \$15,592 and asked if the Board of Education has the money to pay for that? Mr. Rizza stated that yes they do. Ms. Clough also asked about chiller 1 and it is to my understanding that is down. Mr. Serio stated that yes it is down and will have to be replaced. Last year that first chiller went down and Mr. Travaglini received quotes. Mr. Travaglini stated that historically we have had a maintenance contract for the chillers. Last year they came out to EHHS to perform maintenance for both the 2 chillers and inspected the chillers, and they found that a bolt had sheared off and was bouncing around causing damage to one of the chillers to the extent of which they gave a quote of \$72,000 some odd dollars. This was for chiller #1; therefore it had to go out to bid. When the bid was put out they contacted every company that handles these types of chillers. The bid came back at \$139,000 dollars the course of action at the time was that they did not have the money therefore; they were not going to make the repair at that time. Chiller #2 was running fine so we were going to wait. This year as we were getting ready for inspection our in house people notice that there was an oil leak in chiller #2, the company came out and in the process of

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Inspection they noticed that there was some wear in the thrust bearing and the shaft was moving back and forth causing the wear down. In order to start working on the chillers to have to evacuate the refrigerant, it is a 3 day project; there is 800 lbs. of refrigerant in this system. The chiller is 10 feet high by 14 feet long and 5 feet wide. So in order to get at the part that is the seal they have set up a chain hoist to take the cover off as well as a scaffolding to even get at the compressor which is 6 feet high. They need to dismount this to begin the tear down to get at the parts that needed to be viewed for repair. That is the reason the amount came to \$15,592. Ms. Asid states that that is why we are paying \$15,000 whether the chiller get repaired or not, correct. Mr. Travaglini said yes. Ms. Asid asked can the repair portion be put out to bid for a lower price or can Johnson Controls give a discount because they are doing the whole thing? Mr. Travaglini stated, I don't think so and I think that the price we have is the best price that they are going to us. Mr. Sal Maltese asked when this oil leak was discovered. Mr. Travaglini stated at the beginning of May. Ms. Clough asks if these were the original chiller that was there when the building was built. Mr. Travaglini stated yes, these chillers are 16 – 17 years old, and they cost about a half a million to replace. Ms. Asid asks if we had a particular maintenance plan in place to maintain these chillers. Mr. Travaglini explains that initially when the building was built the town had an outside contractor to maintain the building to the tune of 1 million dollars a year. As time progressed and budgets became tighter and tighter, things were eliminated on that 1 million dollars, one year it was security, one year it was cleaning, the following year it HVAC maintenance, and it deteriorated and to date that particular contract is down to \$300,000. Recognizing that we hired an HVAC mechanic as part of our maintenance department and that gentleman was with us for 6-7 years but then left because he received a better offer. What happened next is our process is we followed the rules and portioned the town, and put a test out for civil service for a replacement on that job, and they refused to do that. In addition to refusing to do that they cut our budget and choices had to be made, and when you look at needing a teacher more than an HVAC person the teacher wins out.

Mr. Serio states that this chiller system computerized is very unique and it's a climate control system in unison with the boilers and they run all year round. It's a monster to run and very expensive to run. I depend on Capital Improvement money because I do not have it in the operating budget so when I knew we had the money available to use in Capital Improvements and funds were allocated earlier for the portables and other projects and we have not used it we thought maybe we could switch the money over to pay for it.

Mr. Travaglini stated that the system is designed for one main one to run and the other is the back-up. Ms. Cough asked if for next year as part of your Capital Improvement will you be looking to purchase a new chiller for chiller #1? Mr. Travaglini stated that he'd rather see it be repaired vs. a new one because a new one costs a half a million dollars and repairing it would maybe cost \$60 - \$70,000. Mr. Maltese asked for the time frame of when this could get done? Mr. Travaglini stated that once he gives them a PO for the work to be done and the parts to come in and they will start the work – the actual work itself is a good week. Mr. Maltese asks Mr. Travaglini are we sure that this does not have to go out to bid? Mr. Rizza states that this

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was already put out to bid but the work was not done. Mr. Rizza also stated that with discussion with Attorney Zullo moving forward if needed we as a board could request from the Town Council a bid waiver request. Mr. Hennessey stated that we should attack chiller one at the same time while we have Johnson up there with equipment to open chiller #1 to see what is wrong now. We don't know what to expect for repairs for chiller #1 Mr. Vitale states that it is not on the agenda so we cannot vote on that tonight. Mr. Hennessey also states that once these chillers are opened you cannot leave them open due to moisture so whatever has to get done once its open need to be completed. Ms. Noreen Clough makes a motion to refer to Town Council. Ms. Beth Purcell Seconds. Roll Call Vote – All In Favor – Motion Carries – None Opposed.

4. Legal & Lawyer Fees

To:	01-113-0668	Legal/Lawyer Fees	\$14,250.00
From:	01-881-0668	Insurance/Legal Fees	\$8,000.00
	01-113-0639	Court/Sheriff Fees	\$1,250.00
	01-113-0115	P/T Wages	\$3,000.00
	01-113-0694	Other Contractual Services	<u>\$2,000.00</u>
			\$14,250.00

Transfer Request regarding outstanding invoices for payments representing various legal services rendered to the Town of East Haven to close out the current fiscal year.

Ms. Noreen Clough motions for discussion. Ms. Beth Purcell Seconds.

Attorney Zullo states that if you remember when I first took over there were \$113, 654.00 in outstanding legal invoices. There was \$62,000 in the legal fees account which set us about \$50,000 short right there. Since that time a significant number of invoices have come in, one for BOE that had not been paid in two years. I have turned back statements to several people including my father, with changes and reduction in fees. The bottom line is that we have never recovered from the \$113,000 we started with for. The \$14,250.00 represents what is needed to close out the fiscal year.

Roll Call Vote – All In Favor – None Opposed - Motion Carries

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5. Legal & Lawyer Fees

To:	01-113-0668	Legal & Lawyer Fees	\$98,173.00
From:	01-886-0001	Fund Balance Contribution	\$98,173.00

Transfer Request regarding outstanding legal bills. (Refer to Town Council)

Ms. Noreen Clough makes a motion to refer to Town Council. Ms. Beth Purcell Seconded.
Roll Call Vote - All in Favor – None Opposed – Motion Carries

6. Police Department

To:	01-332-0520	Office Supplies	\$1,187.00
From:	01-332-0827	SCJA Match	\$250.00
	01-332-0615	Print Bind	\$100.00
	01-332-0420	Firearms	\$337.00
	01-332-0568	Food Supplies	<u>\$500.00</u>
			\$1,187.00

Needed for regular supplies and emergency supplies for detective division.

Ms. Noreen Clough makes a motion for discussion. Ms. Beth Purcell Seconded.
Roll Call Vote – All in Favor – None Opposed – Motion Carries

7. Fire Department

To:	01-334-0530	Gas & Diesel	\$10,000.00
From:	01-334-0160	Holiday Pay	\$10,000.00

Transfer necessary to cover shortage in fuel account due to the high cost of fuel.

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Ms. Noreen Clough makes a motion to discuss. Ms. Beth Purcell seconded.

Mr. Vitale asks the Mr. Rizza if we have a contract that the fuel is always the same price? Mr.

Rizza stated no, we are buying off the state bid price and it fluctuates right now it is down. Mr.

Maltese asks Fire Chief Jackson if this has to do with the hurricane? Fire Chief Jackson states no this has to do with us being extremely busy.

Roll Call Vote – All in Favor – None Opposed – Motion Carries

8. Public Service

To:	01-226-0676	Waste Collection	\$24,500.00
From:	01-224-0120	Snow & Ice	\$20,000.00
	01-224-0644	Rental of Equipment	\$ 1,500.00
	01-229-0638	Equip. Maintenance Service	<u>\$ 3,000.00</u>
			\$24,500.00

Transfer to complete fiscal year, waiting for FEMA reimbursement from Hurricane Irene.

Ms. Noreen Clough made a motion to discuss. Ms. Beth Purcell seconded.

Ms. Noreen Clough states I see that this says waiting for FEMA reimbursement my question is once we get the money can we put it back? Mr. Rizza states yes we can still put it back.

Ms.Clough asks with the waste collection that was this was the removal of all the storm debris?

Mr. Rizza stated that this charge was in part mainly the costs for the dumpsters. Mr. Kevin Whites stated that these charges are for dumpsters, and DEEP extra costs that came in. This was not because snow. Ms. Purcell asks Mr. White if he is expecting any FEMA money? Mr. White stated yes \$400,000 just for Public Service.

Roll Call Vote – All In Favor – None Opposed – Motion Carried.

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9. Public Service

To:	01-224-0530	Diesel & Fuel	\$7,500.00
From:	01-224-0133	Classified Difference	\$4,500.00
	01-224-0561	Vehicle Supplies	<u>\$3,000.00</u>
			\$7,500.00

Funds needed for diesel and gas for end of year.

Ms. Noreen Clough makes a motion to discuss. Ms. Purcell seconded.

Ms. Clough asks this is fuel for the big rigs? Mr. White states all the trucks, back hoes, etc; again a lot of this was from the storm and using the equipment to assist that. These rigs probably only get 3 – 4 miles a gallon so it does not take long to burn the fuel. Mr. Sal Maltese asks what is Classified Difference? Mr. Rizza states that if a person in one position works in a higher position you receive the difference in pay – differential pay in other words.

Roll Call Vote – All in Favor- None Opposed – Motion Carried

10. Employee Benefits

To:	01-167-0965	Unemployment Compensation	\$45,000.00
From:	01-885-0689	Contingency	\$23,005.00
	01-886-0001	Fund Balance Contribution	<u>\$21,995.00</u>
			\$45,000.00

Funds needed for unemployment benefits to end of fiscal year. (Refer to Town Council)

Ms. Noreen Clough makes a motion to Refer to Town Council. Ms. Beth Purcell Seconded.
Roll Call Vote – All in Favor – None Opposed – Motion Carries

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11. Adjournment – Mr. Ralph Vitale made a motion to call the meeting to adjournment at 7:40 pm. Ms. Noreen Clough approved. Ms. Beth Purcell seconded. All in Favor. None Opposed. Motion Carries

Mrs. Temple Smith
East Haven Board of Finance/ Clerk