

EAST HAVEN TOWN COUNCIL
REGULAR MEETING MINUTES
TUESDAY, FEBRUARY 7, 2017*Stacy Gwinn, CTC*
TOWN CLERK

The East Haven Town Council held a regular meeting Tuesday, February 7, 2017, at 7:00PM at the East Haven Senior Center, 91 Taylor Avenue, East Haven, CT 06512.

Vice Chairman Sand calls the meeting to order at 7:00PM and explains that Chairman Fred Parlato is acting Mayor, so he will not be Chairing tonight's meeting. He will Chair in his place and Councilman Parente will be Vice Chairman tonight.

Item #1

Roll Call -12 present - 3 absent (Parlato, Spaduzzi, Archambault).
A quorum is present.

Chairman Sand asks all to stand for the pledge of allegiance.

Item #2

Approval of minutes from the January 3, 2017 Regular Meeting.

Councilman Nicholas Palladino makes a motion.

Councilwoman Letizia Lettieri-Morales seconds the motion.

Voice vote: all in favor-none oppose-none abstain. Motion carries.

Item #3

Approval of minutes from the January 3, 2017 Public Hearing.

Councilman Ken Mckay makes a motion.

Councilman Henry Butler III seconds the motion.

Voice vote: all in favor-none oppose-none abstain. Motion carries.

Item #4

Correspondence-

- Chairman Sand explains he has correspondence that includes photos and a letter from Ms. Mongillo of 20 Stevens Street. In his discussions with the Chair/acting Mayor it is being addressed. It won't be read into the minutes. There

are some questions with it and Sal Brancati is handling it directly for the Administration.

- Ms. Mongillo asks why she can't read the letter.
- Chairman Sand explains that she sent the letter and it is at their discretion as to whether or not to read it, he is taking the position that he would like to have the Administration handle it because some items need to be correctly handled.
- Councilman Palladino says they are a Democratic group and he would like to be able to make a motion that the letter be read into the minutes and the Council members can vote as to whether they want it read and he has no problem with whatever the majority says. It seems to him letters are written and not read into the public any time it is of negative nature, if it's a hooray for us letter it gets read.
- Chairman Sand says he appreciates the input, but the correspondence will not be read it will be handled by Mr. Brancati.
- Attorney Zullo explains that the standing rules are clear and are the same rules during the Luzzi Administration, first Maturo Administration, Capone Administration and here today. They give the Chairman complete discretion as to whether or not correspondence is read into the record, summarized or simply acknowledged. If the Council would like to change the rules they can schedule a meeting at a later date to do that.
- Councilman Palladino asks if those rules say he cannot make a motion to have it read it.
- Attorney Zullo says it would be an illegal motion. It is the same as with the subcommittee meetings, they couldn't just make a motion that they no longer meet, they would need to amend the rules to do so which they are entitled to do.

Item #5

Subcommittee Reports:

- a. Subcommittee on Education, Library, and School Building;
 - Vice Chairman Parente reports that the Board of Education has just passed their budget and they received copies of it tonight so they will have a lot to digest with that. The Board of Education has a shortfall they are trying to make up for and we would like to find out what happened and why.
 - Councilman Palladino asks if he has any idea of what happened with the shortfall following the audit when they came up \$900,000 over what was allocated.

- Councilman Parente says Mr. Rizza is there tonight and maybe they can discuss it because he is just as curious about what happened.
- Chairman Sand says they do have the presentation from the auditor on the Agenda tonight.
- b. Subcommittee on Public Safety, Health, & Welfare;
 - Councilman Santino says everything is good and the Chief is coming before them tonight for a couple of items.
- c. Subcommittee on Finance;
 - Councilman Richardson says the meeting last month was cancelled; he doesn't have an Agenda yet for this month's meeting.
- d. Subcommittee on Public Services, Parks, & Recreation; no report.
- e. Subcommittee on Urban Renewal/Housing; no report.

Item #6

Presentation by CohnReznick regarding the 2015-2016 FY Audit.

- Joseph Centofanti summarized the audit reports that the Council received as follows:
- Opinion on Financial Statements (pgs. 2-4). Unmodified= Clean opinion
- Management Discussion and Analysis (pgs. 5-12)
 - Executive summary of the results of operations and other significant financial items
 - Financial highlights- Increase in fund balance by \$1,133,876- from 4.3% to 5.7% of expenditures (pg 1)
 - Long-term debt decreased by \$4,530,000- schedule principal payments (pg 11)
- General Fund - GAAP basis
 - Total unassigned fund balance of \$4,984,714 (pg 16)
 - Net Change in fund balance of \$1,133,876. (pg 18)
- General Fund -Budgetary basis (pg 20)
 - Revenues - under budget by \$(586,902).
 - Expenditures under budget by \$1,695,763 (including budgeted \$600,000 contribution to fund balance).
- Internal Service Funds (pg 21-22)
 - Current assets exceed current liabilities by \$1,591,829 (pg 21)
 - Net change in fund balance of \$2,071,647 (pg 22)

- New note disclosures:
 - Investment disclosures- GASB 72- (pg 36-37) - Classification of investments into 3 categories based upon fair value hierarchy (estimates)
 - Prior period adjustment- MERS -State change (pg 61)
- Federal and State Single audits:
 - a. Federal monies expended (pg 1) Federal programs tested (pg 4)
 - b. No findings or questioned costs (pg 4)- prior year findings resolved (pgs 2-3)
 - c. State monies expended (pg 10-11) State programs test (pg 14)
 - d. One finding- resolved for FY 2017 (pg 15)
- Future considerations
 - GASB 74 and 75- OPES standards similar to pension
 - GASB 77 - Abatements

*Note: Full Annual Financial Report and Federal/State Single Audit available in full on the Town of East Haven Website at:

<http://www.townofeasthavenct.org/finance-department/pages/financial-reports>

No public comment.

Council comment:

- Councilman Richard Anania says regarding the Board of Education, why are they always short. He asks if there is any recommendation they can follow so they are not always coming up short. It's a money pit, we give them money and they are always short. Is it something with their accounting? Every year they are short.
- Mr. Centofanti says he doesn't know if he can answer specifically why but they did have some problems with the software for their bank reconciliations and they finally got that resolved this year. It should allow them to monitor what is going on more closely and give them a better perspective of their budget status. He explains he is not there during the year to know how it actually happens he is there at the end.
- Councilman Butler III says he agrees with what Councilman Anania said.
- Councilwoman Lettieri-Morales says she agrees too, the money is gone because they overspent and then what they just find money? She knows their job is only to give them the money but it seems like they run amuck with the money.
- Councilwoman Judy Esposito says they need to question them when they come for their budget; they need to ask where the money is going. They need to give more details as to what they are doing, it should be going to the children and it's not, it's going to salaries.
- Councilman Richardson says he is very concerned about an almost \$1million dollar deficit in the Board of Education. He always thought the Board of

Education can't run a deficit; they are required to have a balanced budget. He thought statutorily they had to have a balanced budget. And he doesn't think this shortfall showed up last minute, he thinks they knew about it ahead of time. They knew they were going to be short \$1 million dollars and that needs to be addressed. Since they are now \$1 million dollars in the hole not including the money the State is taking back, what happens to the budget they received tonight? Will they have to now fund that budget plus the \$1 million dollar deficit because the deficit has to be paid somehow?

- Mr. Centofanti says it would come out of the fund balance; the fund balance would have been that much higher.
- Councilman Richardson says so he is saying it comes out of Town funds so now the Town is short \$1 million to fund a \$1 million dollar over expenditure by the Board of Education.
- Mr. Centofanti says it came out of equity, so yes there is now \$1 million dollars less than there could have been.
- Councilman Richardson says so we gave them a \$48 million dollar budget last year and they decided to spend \$49 million dollars. He knows he is just the auditor, but they should have a check and balances in place and it should be part of the audit/recommendation going forward so these things don't continue to happen.
- Vice Chairman Parente says it made him realize that our fund balance of \$1.6 million would have actually been \$2.5 million but we had to absorb their \$900,000 deficit. Although they have autonomy, we are still responsible as a Town to make sure the Town's budget which is inclusive of the Board of Education can balance those figures and its unfortunate the Town has to absorb their deficiencies.
- Councilman Palladino asks when the transfer was authorized to cover the \$900,000 shortfall. He says he doesn't remember seeing a transfer come to the Council to transfer it to be paid. So how did it happen? In his opinion, in reality they should owe \$900,000 and should be figuring out how to pay for it and then come to the Council for the transfer. Someone has to be held accountable. Has any criminal statute been violated or broken by them overspending? Is there any civil liability for the 9 sitting members on the Board of Education, when he was on the Board they were told on day 1 that they could be held civilly liable if they overspend the budget? During the two years he was there they never did. Are they liable for this \$900,000?
- Attorney Zullo explains that the Town Charter does specify that any officer or employee who knowingly obligates the Town to pay something that there is not sufficient funding for can be held liable. The key word is knowingly. The key is establishing whether or not people knew about it, when they knew about it, if they had any control over it. Quite frankly they can be presented with revenue figures

and expenditure figures and they are looking at them and they are relying on their staff/experts information. Just like here, none of them dig into the audit and the figures the way Paul Rizza does and they rely on his expertise. Proving that it is knowingly done is questionable. From a criminal perspective, that would be up to someone to report and nothing has come before him at this time. The Board is actually jointly and severely liable which means it's not necessarily \$100,000 per person; if one of them happens to have \$10 million in the bank that person can be personally liable for the \$900,000.

- Councilman Palladino says so if an investigation was done, just for giggles, and it turned out the Finance person working for the Board of Education knew about this and continued to spend money then he, by Charter and State Statute would he be liable?
- Attorney Zullo says that would definitely be dependent on facts and he hasn't done that investigation. If someone did open an investigation that is what they would be looking for, that knowing intention. As he sits here today he doesn't have any more numbers or information than they do.
- Councilman Gary DePalma says every year they go up on the budget for the Board of Education and they were given an amount and they went over by a million dollars. There are other parts of the Town, he understands Education is a big part of it but there are other Departments that struggle and it has to be put to an end this year.
- Councilman Santino says the auditor doesn't know who spent the money; Paul would have the answers they are looking for.
- Councilman McKay asks about the item identified as other funds of \$4,938, he asks for a breakdown on the funds. Is it from taxes? Actual dollars? Etc.?
- Mr. Centofanti says on page 40/41 it lists intercompany transactions, there are some special revenue funds and on page 42 is the balance.
- Councilman McKay asks about the \$900,000 they are short, is that funded already? Is it taken out of our fund balance?
- Chairman Sand says that's not something for Mr. Centofanti to answer, we can ask our Finance Director these questions later on. One question he has is in terms of grants, in the report is that the entire grant amount or is it the amount spent or the amount left in the account after the spending's have been deducted.
- Mr. Centofanti says that lists what was spent. On the financial statement it shows any that have not been spent. But on Page 1 that is what they are required to list in terms of what was actually spent.
- Chairman Sand says so there is no possible way for a grant to be overspent, they get a dollar amount in and they only spend up to that amount?
- Mr. Centofanti says from an accounting standpoint it is overspent so the general funds cover it and you are technically using your own money.

- Councilman Richardson asks about Page 37 under other investments and it mentions pool fixed income.
- Mr. Centofanti says that is something along the line of a State's Treasurer's Investment fund or something like that. It is just a pool investment with an NAB of \$1 so it is an investment in the sense that there is interest in it. It is basically a liquid investment.

Item #7

To consider and act upon a Resolution to approve a commercial property assessed clean energy ("C-Pace") agreement with the Connecticut Green Bank.

APPROVING RESOLUTION **TOWN OF EAST HAVEN**

RESOLUTION TO APPROVE COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY ("C-PACE") AGREEMENT

WHEREAS, Section 16a-40g, as amended, of the Connecticut General Statutes (the "Act") established a program, known as the Commercial Property Assessed Clean Energy (C-PACE) program, to facilitate loan financing for clean energy improvements to commercial properties by utilizing a state or local assessment mechanism to provide security for repayment of the loans; and

WHEREAS, the Act authorizes the Connecticut Green Bank (the "Green Bank"), a public instrumentality and political subdivision of the State charged with implementing the C-PACE program on behalf of the State, to enter into a written agreement with participating municipalities pursuant to which the municipality may agree to assess, collect, remit and assign, benefit assessments to the Green Bank in return for energy improvements for benefited property owners within the municipality and for costs reasonably incurred by the municipality in performing such duties; and

WHEREAS, the Commercial Property Assessed Clean Energy ("C-PACE") Agreement (the "C-PACE Agreement") between the Town of East Haven, Connecticut and the Green Bank, as attached hereto, constitutes the written agreement authorized by the Act.

NOW, THEREFORE, BE IT RESOLVED:

(a) that we, the East Haven Town Council, constituting the legislative body of the Town of East Haven hereby approve the C-PACE Agreement, and

(b) that Mayor Joseph Maturo, Jr., or his designee, is hereby authorized and directed, on behalf of the Town, to execute and deliver the C-PACE Agreement, substantially in the form attached to this Resolution, for the purposes provided therein, together with such other

documents as he may determine to be necessary and appropriate to evidence, secure and otherwise complete the C-PACE Agreement.

This resolution shall be effective in accordance with the provisions of the East Haven Town Charter.

Councilman Santino makes a motion.

Councilman Butler III seconds the motion.

No public comment.

Council comment:

- Chairman Sand says many of the Council members are familiar with this, they have entered into it before and are going to reinvest in this program to get things done on the green side.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #8

To consider and act upon A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign an Amended South Central Connecticut Regional Traffic Unit Mutual Police Assistance Compact.

A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign an Amended South Central Connecticut Regional Traffic Unit Mutual Police Assistance Compact

WHEREAS, the Town of East Haven and the East Haven Police Department, pursuant to a Mutual Police Assistance Compact, are members of the South Central Connecticut Regional Traffic Unit, which allows for the coordination of police resources among neighboring municipalities and the pursuit of mutually beneficial grant initiatives;

AND WHEREAS, the member municipalities of the South Central Connecticut Regional Traffic Unit wish to amend the aforementioned compact to better provide for the coordination of funding for the unit;

NOW THEREFORE, be it resolved by the Town Council of the Town of East Haven that the Amended South Central Connecticut Regional Traffic Unit Mutual Police Assistance Compact presented to this legislative body is hereby approved;

BE IT FURTHER RESOLVED that Mayor Joseph Maturo, Jr., or his designee, is hereby authorized and directed, on behalf of the Town, to execute and deliver the amended compact, substantially in the form attached to this Resolution, for the purposes provided therein, together with such other documents as he may determine to be necessary and appropriate to evidence, secure and otherwise give effect to the compact.

This resolution shall be effective in accordance with the provisions of the East Haven Town Charter.

Councilman Santino makes a motion.

Councilman Richardson seconds the motion.

No public comment.

No Council comment.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #9

To consider and act upon A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign an Amended South Central Regional Special Weapons and Tactics Team Mutual Police Assistance Compact.

A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign an Amended South Central Regional Special Weapons and Tactics Team Mutual Police Assistance Compact

WHEREAS, the Town of East Haven and the East Haven Police Department, pursuant to a Mutual Police Assistance Compact, are members of the South Central Regional Special Weapons and Tactics Team, which allows for the coordination of police resources among neighboring municipalities and the pursuit of mutually beneficial grant initiatives;

AND WHEREAS, the member municipalities of the South Central Regional Special Weapons and Tactics Team wish to amend the aforementioned compact to better provide for the coordination of funding for the team;

NOW THEREFORE, be it resolved by the Town Council of the Town of East Haven that the Amended South Central Regional Special Weapons and Tactics Team Mutual Police Assistance Compact presented to this legislative body is hereby approved;

BE IT FURTHER RESOLVED that Mayor Joseph Maturo, Jr., or his designee, is hereby authorized and directed, on behalf of the Town, to execute and deliver the amended compact, substantially in the form attached to this Resolution, for the purposes provided therein, together with such other documents as he may determine to be necessary and appropriate to evidence, secure and otherwise give effect to the compact.

This resolution shall be effective in accordance with the provisions of the East Haven Town Charter.

Councilman McKay makes a motion.

Councilwoman Lettieri-Morales seconds the motion.

No public comment.

No Council comment.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Councilman McKay makes a motion to add Agenda Item #9A to the Agenda for "A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., Chief Ed Lennon, or their designee, to join the Shoreline Technical Crimes Investigative Group and to sign a Memorandum of Understanding effectuating at the same."

Councilwoman Linda Hennessey seconds the motion.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #9A

A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., Chief Ed Lennon, or their designee, to join the Shoreline Technical Crimes Investigative Group and to sign a Memorandum of Understanding effectuating at the same.

A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., Chief Ed Lennon, or their designee, to join the Shoreline Technical Crimes Investigative Group and to sign a Memorandum of Understanding effectuating at the same

WHEREAS, the Town of East Haven and the East Haven Police Department, in coordination with six other shoreline police departments and other corporate and community stakeholders, wish to form the Shoreline Technical Crimes Investigative Group;

AND WHEREAS, it is the intent of said group to employ the latest techniques and investigative tools to examine technologies-based evidence in the investigation of criminal offenses. The Group will also provide training to educate the public on issues regarding Internet and cyber security as well as provide training to Investigative Group members so they will have the most up-to-date information to accomplish this mission;

AND WHEREAS, the Police Department desires to participate in said group as a member of its board of directors and consistent with the group's by-laws and enter into a Memorandum of Understanding acknowledging the same;

AND WHEREAS, time is of the essence in obtaining approval to join this group insofar as the group's formational meeting is set to take place within seven (7) to ten (10) days of the February 7, 2017 Town Council meeting;

NOW THEREFORE, be it resolved by the Town Council of the Town of East Haven that the Town and Police Department are authorized to join the Shoreline Technical Crimes Investigative Group;

BE IT FURTHER RESOLVED that Mayor Joseph Maturo, Jr., Chief Ed Lennon, or their designee, is hereby authorized and directed, on behalf of the Town, to execute and deliver the Memorandum of Understanding, substantially in the form attached to this Resolution, for the purposes provided therein, together with such other documents as may be necessary and appropriate to evidence, secure and otherwise give effect to the MOU.

BE IT FURTHER RESOLVED that this approval is conditioned upon the final MOU addressing, to the satisfaction of the Town Attorney, technical changes to language relating to the "Compensation" section on page three (3) of the MOU

This resolution shall be effective in accordance with the provisions of the East Haven Town Charter.

Councilman Santino makes a motion.

Councilman Depalma seconds the motion.

No public comment.

Council comment:

- Councilman Anania asks if this is new and if there is a cost to the Town and if there would be money in their budget for it.

- Police Chief Ed Lennon explains that at this time there is no cost, this is in the infancy stages of being created. As background, it originated in Southern Fairfield County and several agencies down there partnered with the secret service to form this group. The secret service deals a lot with financial and electronic crimes, which is the fastest growing crime in the United States. The issues being faced are more on a local level versus a federal level. So they were able to create funding opportunities for Police Departments or working groups to work collectively. For instance taking an employee from our Department and training them in networking areas where they can help another Department who is having an issue with an investigation for a violent crime and they need information after they get a search warrant from a cell phone or search device. They would provide equipment so they could get this information in a matter of days or hours instead of months or years if they had to wait for a lab to do it for them. It was presented to them back around the Holidays and at the time they didn't have the right person or persons available and now they found out that this MOU was being formed next week and they said if the time is right for us and we are interested in it they could join. As of right now there is no commitment of funds, there could be a small commitment of funds but probably not more than \$1,000 but there is nothing here and now.
- Councilman Richardson says he thinks it is a great idea he loves the idea of pooling Police Services throughout the region. This is an initial MOU to get the ball rolling, it sounds like there is going to be another MOU to formalize it at a later date, is that true?
- Chief Lennon says it could or could not be. The last two items on the Agenda were for actual working units; this is more of a working group. If they choose not to participate a year from now they can withdraw. He believes there will be 2 or 3 other municipalities coming in on it now, so there may have to be another MOU but he can't answer that at this time.
- Councilman Richardson asks about the last paragraph, which says technical changes to language relating to the "Compensation" section.
- Attorney Zullo explains that when the agreement came over to him he read it and the language regarding compensation he was concerned with the wording of "each participating agency agrees to provide wages and benefits for its personnel assigned to the investigative group." He wanted to add in some language referencing our Collective Bargaining Agreement so that any pay is consistent with the Collective Bargaining Agreement that currently exists. What he didn't want to happen was for someone to come along and say they were entitled to something extra for overtime, it may be that they do get called on late hours or would be subject to overtime under our Collective Bargaining Agreement but he didn't want it to create a situation where they were incurring additional costs so

that is the language he has recommended. They won't sign it until that has come to a resolution.

- Chairman Sand references the Board of Directors, which is a 501 C-3, a non-profit. He asks how Alexion comes into play with this.
- Chief Lennon explains that Alexion would be providing the space and some of the monies for licensing. The Federal Government is taking on the initial cost of everything. Alexion is setting up a lab, which the access is local though he was asked not to disclose where. They are setting it up in an area that is accessible for everyone to get to and it will give them access to the equipment. The other part of Alexion is that they are very big into technical and cyber crime across the world and they are providing educational and technical assistance for training.
- Chairman Sand says their network is obviously secure and cyber crime would be a huge part of that. In terms of sharing data, if the investigation begins in East Haven and we need to go further with it, is that information that Alexion becomes aware of within their network/system?
- Chief Lennon says they work under the terms of the State Laws in terms of information sharing which is actually governed by the Federal Government requirements. Alexion won't have the ability to store or use the information for other purposes. It is still our information and evidence and can only be disseminated based on our State laws and regulations.
- Chairman Sand says for the Board of Directors right now it looks like it is comprised of a member of each of the municipalities, as other communities are added to this, will the bylaws all be changed and reviewed again by the Council to re-approve?
- Attorney Zullo says they are approving an MOU tonight to allow the Town to move forward with other Towns so if the MOU changes then yes they will have to review it. But this independent Board of Directors will govern the actual operations of the unit so they won't have to come back for changes in the bylaws. The check and balance on that is that they can withdraw at any time if we don't like what they have done but the operations are governed independently from every municipality.
- Chairman Sand says this will be the fourth Regional compact we have entered into, is the Police Department starting to get stretched thin with the duties in all of these.
- Chief Lennon says this is a part-time thing so that if they need it it's there; it is not a task force. It may just be at random when another Department calls because our officer is trained to deal with something so they will only be needed periodically, it will be based on whoever is available to help with whatever the situation is. The other units are part time, the tactical unit trains a few times a month and when they are needed they come but that is about it. The traffic unit,

which is probably the most used in all Towns, is always called out for fatalities and a few other reasons but there is nothing affecting their patrol, nothing is full time.

- Deputy Police Chief James Naccarato says it is actually giving them more officers in the long run, when they call out for another Town to come in for something they could never handle themselves it gives more bodies for the operation.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #10

To consider and act upon A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign a Municipal Energy Opportunities Standard Agreement.

A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign a Municipal Energy Opportunities Standard Agreement

WHEREAS, the Town of East Haven and the East Haven Police Department, in coordination with the Engineering Department, wish to perform LED lighting upgrades at the East Haven Police Department;

AND WHEREAS, grant funding is available to cover a portion of the costs of the aforementioned upgrades through the "Energy Opportunities" program offered by United Illuminating;

AND WHEREAS, the Town desires to enter into a Municipal Energy Opportunities Standard Agreement with the United Illuminating Company in order to pursue the aforementioned grant funding;

NOW THEREFORE, be it resolved by the Town Council of the Town of East Haven that the Municipal Energy Opportunities Standard Agreement presented to this legislative body is hereby approved;

BE IT FURTHER RESOLVED that Mayor Joseph Maturo, Jr., or his designee, is hereby authorized and directed, on behalf of the Town, to execute and deliver the Municipal Energy Opportunities Standard Agreement, substantially in the form attached to this Resolution, for the purposes provided therein, together with such other documents as

he may determine to be necessary and appropriate to evidence, secure and otherwise give effect to the agreement.

This resolution shall be effective in accordance with the provisions of the East Haven Town Charter.

Councilman Santino makes a motion.

Councilman Palladino seconds the motion.

No public comment.

Council comment:

- Councilman Palladino says he has seen them in his neighborhood and they make such a difference. It is a phenomenal thing and it will help lower crime rates and pedestrian accidents.
- Vice Chairman Parente explains that the whole Town is being done, including the State roads. If they are too bright they put a shield around them and direct the light elsewhere if it happens to be shining into windows or something of that nature.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #11

To consider and act upon a Resolution making various board and commission appointments as follows:

Commission	Name(s)	Term
Blight Appeals Committee (2 Seats)	Carl Ruggiero Clyde Riccio	3-1-17 to 2-29-20 3-1-17 to 2-29-20
Board of Assessment Appeals	Donna Richo	2-1-17 to 1-31-20
Board of Assessment Appeals (Alternate)	Edward Donroe	2-1-17 to 1-31-20
East Shore Health Commission	Angela Carano	2-1-17 to 1-31-20
Ethics, Board of	Joseph Polio	2-1-17 to 1-31-20
Housing Authority (2 Seats)	David Sagnella Wendy Durant-Simon Bellmore	2-1-17 to 1-31-20 2-1-17 to 1-31-20
Housing Authority (1 Seat - Partial Term)	Samantha Parlato	2-1-15 to 1-31-18
Old Cemetery Board (2 Seats)	Joseph Saccavino William Jackson	2-1-17 to 1-31-20 2-1-17 to 1-31-20

School Building Committee (2 Seats)	Ric Raffone Lewis Langella	2-1-17 to 1-31-20 2-1-17 to 1-31-20
Urban Renewal Agency	Al Fucci	2-1-17 to 1-31-20
Zoning Board of Appeals (2 Seats)	Donald Thomas Joseph A. Porto	2-1-17 to 1-31-20 2-1-17 to 1-31-20
Zoning Board of Appeals - Alternates	Michael Smith	2-1-17 to 1-31-20

Councilman Santino makes a motion.

Councilman Mckay seconds the motion.

No public comment.

Council comment:

- Chairman Sand explains that on January 14th a notice went out in the Register asking for resumes. Chairman Parlato asked him to contact the current appointees to find out if they were interested in being reappointed. Most responded that they would like to and there were a few that said no. They received either resumes or letters of intent in their packets.

Roll call vote: 11 in favor-none oppose-1 abstention (Palladino). Motion carries.

Item #12

To consider and act upon a Resolution to provide the following tax refund:

Farm River Rock, LLC

PO Box 535

Willington, CT 06279

Acct./List: 2015-02-40369 E/S 30086

Reason: Per Assessor Court Stipulation 11/21/2016

TOTAL: \$ 20,781.20

A Resolution to provide a tax refund of \$20,781.20 to Farm River Rock, LLC

WHEREAS, C.G.S. Section 12-129 provides that a local board of selectmen, or its equivalent, may, upon recommendation and certification of the Tax Collector, issue a refund for tax overpayments;

AND, WHEREAS, the following entity or person has requested a refund for the following overpayment:

Farm River Rock, LLC
 PO Box 535
 Willington, CT 06279

Acct./List: 2015-02-40369 E/S 30086
Reason: Per Assessor Court Stipulation 11/21/2016

TOTAL: \$ 20,781.20

AND, WHEREAS, the Tax Collector, via backup paperwork submitted to this Council, has recommended and certified the accuracy of this refund;

NOW, THEREFORE, BE IT RESOLVED that said refund is approved and the tax collector is authorized to effectuate said refund.

This resolution shall be effective in accordance with the provisions of the East Haven Town Charter.

Councilman Santino makes a motion.

Councilman Butler III seconds the motion.

No public comment.

Council comment:

- Councilman Santino asks if this is a court case we lost.
- Attorney Joseph Zullo explains it wasn't a case we lost. Going back a number of years Farm River Rock decided they wanted to do some rock work way north on Barberry Road and at the time they brought all of their machinery in and Mike Milici asked if some of the manufacturing exemptions for personal property applied to machinery. They spent time reviewing the Statute and agreed they didn't apply, if those exemptions did apply they wouldn't be able to tax the property. They denied the exemptions, collected the money on the equipment for two tax years and they appealed it. In the end, it was made clear the Town was going to lose so the Town made the agreement that they would keep one year of taxes and give one year back. The equipment is up there and the manufacturing exemption is on but they were receiving a farming exception because it wasn't clear whether they were doing that work. They were required to disclose certain information about their production activity during the case and we are now able to tax the land at a significantly higher rate. We are actually getting more revenue than before.

- Councilman McKay says he googled the address and they are using a PO Box out of North Branford but this refund says Willington.
- Attorney Zullo says their corporate office he believes is North Branford, an actual physical place of business. Because the owner lives in Willington it is going to a PO Box there but the property is in East Haven, it was taxed in East Haven and now is being taxed the right way. He says Mike Milici did a great job on it and came up with a good tax basis for us.
- Chairman Sand says this happens to be in the 3rd district and when they saw the word quarry they pursued it a few years ago to find out more and realized it was a North Branford operation and they had land in East Haven on the back side. Then this all came into light and worked out.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #13

A Resolution confirming and approving the appointment of Michelle Duprey to the Greater New Haven Transit District Board of Directors for a term running from 2/1/2017 to 1/31/2021.

A Resolution confirming and approving the appointment of Michelle Duprey to the Greater New Haven Transit District Board of Directors for a term running from 2/1/2017 to 1/31/2021

WHEREAS, Article II, Section 1(A) of the By-laws of the Greater New Haven Transit District provides that East Haven members of said district shall be appointed by the Mayor of East Haven, subject to the confirmation of the East Haven Town Council;

AND, WHEREAS, Mayor Joseph Maturo, Jr. has appointed Michelle Duprey to the Greater New Haven Transit District Board of Directors for a term running from 2/1/2017-1/31/2021;

NOW, THEREFORE, BE IT RESOLVED that said appointment is hereby approved.

Councilman Santino makes a motion.

Councilwoman Lettieri-Morales seconds the motion.

No public comment.

Council comment:

- Councilman Palladino says one person on this Board was put on Housing Authority, did they run out of people? Is this paid or volunteer?
- Chairman Sand explains that it is voluntary, not paid, and they sit in place of the Mayor, there are two positions available.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #14

A Resolution confirming and approving the appointment of Wendy Durant-Simon Bellmore to the Greater New Haven Transit District Board of Directors for a term running from 2/1/2017 to 1/31/2021.

A Resolution confirming and approving the appointment of Wendy Durant-Simon Bellmore to the Greater New Haven Transit District Board of Directors for a term running from 2/1/2017 to 1/31/2021

WHEREAS, Article II, Section 1(A) of the By-laws of the Greater New Haven Transit District provides that East Haven members of said district shall be appointed by the Mayor of East Haven, subject to the confirmation of the East Haven Town Council;

AND, WHEREAS, Mayor Joseph Maturo, Jr. has appointed Wendy Durant-Simon Bellmore to the Greater New Haven Transit District Board of Directors for a term running from 2/1/2017-1/31/2021;

NOW, THEREFORE, BE IT RESOLVED that said appointment is hereby approved.

Councilman Santino makes a motion:

Councilman McKay seconds the motion.

No public comment.

No Council comment.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Councilman McKay makes a motion to add to the Agenda Item #14A "Comments from Finance Director Paul Rizza".

Vice Chairman Parente seconds the motion.

Roll call vote: all in favor-none oppose-none abstain. Motion carries.

Item #14A

Comments from Finance Director Paul Rizza.

Mr. Rizza addresses the Council congratulates the Council because the questions he heard he has been asking himself in working with the auditors since the audit came out around December 29th. He still doesn't have answers to some of the questions that

were asked tonight. He thinks there needs to be a meeting on it or part of the next meeting and maybe go in executive session to go over some of the things still pending in his mind which maybe shouldn't be talked about if they aren't 100% accurate. A question someone asked was how they spent money they didn't have. The interim control on the Town side in the Finance Office only gave them what was allocated, which was the \$47,160,000, which was appropriated. It moved from the Town throughout the 2015-2016 year to the Board of Education; we didn't get a request to pay the \$918,000 at any point and still don't have that request while sitting there tonight. Somehow or another the Board is still operating and they are roughly 7 months into the current year. He has had discussion with people on the Town side and the Mayor; they concurred on one thing which is that in approx. 45 days or less the Audit firm will be back entering into an agreement between them and the Town to do a financial review of the Board of Education current year. They will be looking at expenditures as of December 31st and they just received January 31st as well. A few things they are looking for is verifying the expenditures that have been made already and comparing them to what has been appropriated to make sure they are on target to spend what they have and not any more. The Town cannot afford to spend any more money than what was currently allocated. Looking at the monies collected, especially in the area of taxes, he gets the weekly report and tells people when they should be collecting more so a lot of work was done in the Tax Office and by the Town Attorneys. The good news is that looking at revenue versus expenditures in the whole budget, not counting the over expenditure, our actual revenues over appropriations was over \$2 million dollars. The over expenditure was taken into account by the auditor because when you look at that detailed report of expenditures of \$48,790,000 expended against an appropriation of \$47,160,000. Someone asked where exactly the money was spent and he has it limited to about four different places and hopes when the auditor comes back he finds that they are the areas he has in mind such as salaries, medical benefits, special education and transportation for special education. Those items are hard to budget ahead for but those are the areas he looked at and they were overspent while there was some under spending in other areas. The question he heard from Councilman Palladino was how they get the money back and he has not come to that answer yet.

Council comment:

- Councilman Richardson says a few moments ago he said they never gave them the money; did they give it to them?
- Mr. Rizza says they have not yet at this moment.
- Councilman Richardson says why didn't they come before the Council earlier?
- Mr. Rizza says he doesn't think they were aware of it. Their reporting wasn't as regular as the things we do on the Town side where on a monthly basis reports come out. He gets a revenue report from the Tax Collector every week. There is

revenue that is generated at the Board but what they do with it is offset expenditures. Medical benefits as an example, say they are paying \$10,000,000 over the course of the year on benefits, they are collecting money on the cost share and co-pays so they may take in \$2,000,000 so instead of an expenditure they have a net expenditure of \$8,000,000; it's not that it makes it illegal but you have to know that when you read the 20 page report that comes out. The other thing they do which we don't do on the Town side is encumber/freeze salaries- say a Momaugin teacher's account is \$900,000 you will see a cumulative expense number and another line or column that says encumbered which means freeze. So if you have \$1,000,000 and spent \$200,000 so far, you would see an encumbered amount of \$800,000 so the unspent balance will read something like \$4.50 because they make assumptions that it is going to be spent.

- Councilman Richardson asks if there are any steps in place so that this doesn't happen.
- Mr. Rizza says there are some things that can be done he just hasn't come to a final conclusion.
- Councilman Santino says no offense to Paul, but he tries to get to the Board of Education everyday, they don't tell him anything? What goes on there? He doesn't understand what goes on with the person who is writing these checks. He is pretty much the Finance guy up there, you can't just keep writing checks.
- Mr. Rizza says the Board works a lot different. Because of some of the ways the accounting is done, if you overestimate the revenue being taken in, you are short.
- Councilwoman Linda Hennessey says they didn't balance their checkbook, and they just kept spending?
- Councilman Santino says it shouldn't be spent if you don't have it.
- Mr. Rizza says to answer his question; his position on the Town side is much different than on the Board side. On the Town side they get purchase orders in and encumber money and the goods and services come in and he actually hand signs the purchase orders. At the Board they have a Business Manager who will get a request to create a purchase order and he electronically he creates it, it goes to the Superintendent for approval and then it goes to the Board as a listing of purchase orders for approval or questioning and payments are all approved by the Board as a whole when paying vendor bills.
- Councilman Santino asks if it is out of line for this Board to request an investigation up there.
- Mr. Rizza says what he really thinks is they have a business manager who will see the paperwork and the Superintendent is the person in charge of the execution of the budget and the Board does a budget, approves it and see

things but they aren't getting a report which gives enough information where they can see if there is enough money left here.

- Councilwoman Esposito says she thinks the Board should be taking more of a lead in that.
- Councilman Palladino says the person they hired, who he does not know personally, but knows he makes over 6 figures, is he doing the job properly to get us in this kind of hole or he is not? There has to be some kind of accountability, if Paul came to them and said this about the \$900,000 you know they would be going to the Mayor and saying fire this guy immediately because he is not doing his job. This is a serious million-dollar problem and something has to be done. A criminal investigation is what is called for.
- Councilman McKay says he has probably asked this many times throughout the years, but they give them \$45 million or whatever every year and that money we write a check for and it goes in their checkbook right? Why do we have to give them the whole \$45 million at once? The obviously got it all because they spent it all.
- Mr. Rizza says four times a month the Town gives them money. They have a payroll, which is basically every other week, sometimes three times a month. The salary money is transferred to their payroll account and they pay bills twice a month with the money transferred into their account.
- Councilman McKay says he knows they overspent their account so they are going to take \$900,000 out of this year's budget and cover up what they are missing right now.
- Mr. Rizza says not necessarily. From somewhere, which he doesn't know where that is, they will have to take \$900,000 and put it back to wherever they got it from. The \$900,000 has been paid, but that is for old year bills, which if you use this year's money, then the old year is clean or balanced and that would leave something in this year that isn't balanced wherever it came from.
- Councilman Anania says they can mess up by \$900,000 and as the auditor said, we had to take Town money/taxpayer's money to cover their screw up. He doesn't understand why we have to do that. If they can't figure out where they are short or why, they should be responsible, someone has to be like they would hold Paul accountable if it happened on the Town side.
- Councilman McKay says we keep bouncing around this \$900,000, Paul said he needs some time and then he will come back to them hopefully with some answers.
- Chairman Sand says since he still has some unanswered questions, when could they put him back on the Agenda to finalize concerns and get answers.
- Mr. Rizza says they came up with great questions, which he is still looking for some answers on, he has thoughts on them but he isn't going to speculate. This

is taxpayer money. He wants to have all of the information he could get and pull from the auditor and then sit down hopefully in a month with all the answers he has or was able to come up with.

- Councilman Richardson asks how they spend the money without coming to the Council.
- Vice Chairman Parente says they are talking about the budget that ended last June, you control the purse strings in terms of the Town allocating money to the Board of Education as a need be basis, at some point in time the money was gone.
- Mr. Rizza says that was at the end of June.
- Vice Chairman Parente says they can't spend after June because now they are in the new budget season. So when did they spend this \$900,000?
- Mr. Rizza says they were still paying off old year bills probably into September.
- Vice Chairman Parente says at that point they knew they were taking money from this year's budget to pay last year's bills.
- Mr. Rizza says he can't say for sure.
- Vice Chairman Parente says what they should have done, if they knew about it or someone knew about it, is taken the money out of this year's budget and put it back where it belongs and then do whatever they had to do with this year's budget to make up for that \$900,000 whether it be laying off teachers, or whatever they have to do because they should pay back the \$900,000 if they knew about it. They knew about this for a long time and they should have taken the \$900,000 out of this year's budget and said we screwed up and they should have been real tight with this budget, laid-off administrators or whatever it may be to make up the \$900,000.
- Councilwoman Lettieri-Morales says Paul is here taking the heat for this, why can't they ask Chairman Finkle and Jim Farrell to come here and explain how this happened. Why should Paul be taking the heat, have the person responsible for it here to explain.
- Mr. Rizza says it can be done, but he thinks he would like to look into it and find out what he can. Those four major areas he came up with for expenses, is that the reason why, if they overspend the salary account, how exactly did they do that.
- Chairman Sand says he thinks Paul has heard their questions and is working with CohnReznick to look into what is going on so they don't overspend again this year. He asks if next month is sufficient time to put on the Agenda.
- Mr. Rizza says by the time they get to Administrative Services he will know.
- Councilman Richardson asks how we paid \$900,000 without coming to the Council for approval.
- Mr. Rizza says at some point they will but right now he doesn't have a solution.

Councilman Palladino says he would like to actually make a motion that they give Mr. Rizza 45 days to come up with the answer. If in 45 days he comes to them and does not have an answer that shows where the money is and what happened, at that point they ask for a formal investigation by the State's Attorney's Office or Attorney General's Office to find out what happened.

Councilman Santino seconds the motion.

- Mr. Rizza says he thinks he is talking about something criminal and he thinks between the Auditor and himself who had a lot of experience from Waterbury, if it is criminal he would move much quicker than 45 days and they will be aware of what is happening.
- Chairman Sand says Mr. Rizza needed to get to an agreement with CohnReznick so they can do this audit and discover where they are.

Councilman Santino withdraws the second.

- Councilman Anania says maybe this is happening or maybe it isn't, but is the Superintendent saying to the Finance people that she needs something and needs it now. He is speculating but is something like this happening and Finance Dept. is saying they don't have the money and she is just telling them to find it?
- Mr. Rizza says they are in a freeze now for spending and hiring. The only hiring they are doing right now is for special education paraprofessionals.
- Chairman Sand says Mr. Rizza knows what the Council is looking for and if they have to go into executive session at the March.
- Attorney Zullo makes the Council aware that this won't be able to proceed in executive session, that is limited by Statute to certain topics and anything they think about saying or want to say they will have to say it in public session, unless it pertains to potential criminal activity.

Item #15

Adjournment of Regular Meeting.

Councilman Santino makes a motion.

Councilman Butler III seconds the motion.

Voice vote: all in favor-none oppose-none abstain. Motion carries.

Meeting is adjourned at 8:52PM.

Respectfully Submitted,

Danelle Feeley

Danelle Feeley, Clerk, East Haven Legislative Town Council