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**East Haven Board of Finance
TOWN CLERK Special Meeting Minutes
November 7, 2018**

The East Haven Board of Finance held a Special Meeting on Wednesday November 7, 2018 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

Vice Chairman Richard DePalma , Noreen Clough, Beth Purcell, Marc Conte Sr. and Richard Esposito Jr were present. Ralph Vitale was absent.

Director of Finance - Paul Rizza was also present and Fire Chief Matthew Macarelli was also present.

2. Read and Approve Minutes from Regular Meeting held on October 17, 2018

Noreen Clough makes a motion to approve Minutes from regular meeting on October 17, 2018. Beth Purcell seconds. All in Favor. Motion Carried.

3. Old Business

Update from Paul Rizza on the audits. Paul said they are moving rather quickly. The auditors are on both locations here and Board of Education. Paul said we made progress. He told the board to bill them directly. They didn't like us getting the bill and sending it to them. Vice Chairman Rich DePalma asked if it would be done soon. Paul replied probably not but stated they are on normal course of business. Paul stated we need a couple of things from the town's people and the board as of last Tuesday (October 30, 2018) hadn't given a lot of the things they asked for because Paul met with auditor last week. Paul further stated that one of the things is capital purchases that are done by the purchasing agent in his office and her husband isn't well and she has been home with him for a couple of weeks.

Vice Chairman Rich DePalma stated Attorney Zullo called him and asked if he could be excused from this meeting because he had a closing. Attorney Zullo will update us at the next meeting.

4. New Business

Paul Rizza brought paperwork which showed revenues and expenditures as well as the original budget for the Board of Education, the final budget and the actual expenditures as well as a variance with the final budget. It happens to be \$67,416.00 that went unspent in that fiscal year. The Board of Finance and Paul Rizza had a discussion about the 2010/2011 fiscal year audit. The Board of Education had a \$250,000.00 fund balance. They did not get to keep the money. If the money is not spent it goes back to the town. You do not get to keep it.

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Paul Rizza then gave the Board of Finance reports, the same kind of report that he has been doing for 20 years. He gave 3 years of data. Any time the Board of Education asks for some money we write it down on these reports and it becomes a declining balance. The first page is 2017/2018 and the first entry is payroll in the amount of \$92,000.00, what the total was and was paid out. The other column is called voucher and that is when you are paying your bills. If you go down on the report and you start with the total appropriation of \$47,710,357.00 and you can see we subtracted, they didn't give us the \$67,000.00 cash back. We subtracted it; they gave it back to us. Go to the bottom, the middle column, it reads \$47,642,941.00. This just happens to be the amount of money that is available to move to them, so there was not a short coming but the finance office at the board, this past September did submit a request for \$146,000.00 of monies from 2017/2018. As you can see, all the money was given to him, that is what he is talking about in the letter. He tries to confuse the issue by turning and saying we get revenue, but the we isn't us, the we is the Board of Education. Most of it is for medical benefits and cost shares, rental of facility, it doesn't go into the town bank account, it goes to the Board of Education. The letter is not accurate. As mentioned there is an internal audit but it isn't for this it is because of errors in DDEO1 from a year ago August. We will be looking at the one that was submitted in this past August because in the first one there were errors and the interim finance person decided they would copy off that one.

Noreen Clough stated the \$67,416.00 from top they had it left over and they never returned the physical cash to the town. Paul stated we appropriated the \$47,710,000. We gave them all the money because they requested it, but they didn't spend it. The audit pointed it out to them and validated that fact to them so we deducted the \$67,000.00 because we technically gave them too much. The Board of Education did submit a request for \$146,000.99 of monies from 2017/2018. You can see all the money was given to them. That is what he is talking about.

The Board of Finance was not sure why the letter was sent to Danelle.

Paul stated in September they asked for an additional \$146,000.00 which they had already drawn. There were two more requests after that. The first was the \$146,000.00. Jim, Paul's assistant, sent out a letter stating there was no money left for that fiscal year. Two weeks later, in October, we get another letter request for cash, for old year, for \$55,000.00. Jim was recovering from surgery. Paul sent a letter back stating they received all this money. Then a week later Paul got another request for \$50,000.00. Paul wrote again that they have received all this money. It is year old money. Now about a week ago Paul got another request for \$5,500.00; same old year. Paul did not send a response to that letter.

Paul stated at this time they are not fully done with the audit yet.

The reason Paul gave 3 sheets is to show that this is the way these reports have always been done. It is a simple way to check.

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5. **Public Comment**

None

6. **Fire Department.**

To:	99-3-01 Lifepak Defib	\$ 75,000.00
	99-3-03 AFG Cost Share	<u>\$ 30,000.00</u>
		\$105,000.00

From:	99-3-01 Diesel Exhaust Remov	\$ 60,000.00
	99-3-03 Station Repair/Improv	<u>\$ 45,000.00</u>
		\$105,000.00

There is an error in the numbers in the "from" line. The numbers do not add up. It should be \$60,000.00 in the Diesel Exhaust Removal line on the agenda.

Noreen Clough made a motion to refer this to Town Council. Beth seconded. Roll Call, all in favor. Motion carried.

Discussion: In regards to the first item. The Chief requested a grant for a breathing air compressor which is 31 years old at fire headquarters. This was acquired by a donation and was already in used condition. The self contained breathing apparatus is what the firefighters wear. The total federal grant is \$328,000.00. It comes with roughly a \$30,000.00 cost share of 10 % so that is in cost share number in the transfer approval. That came out of the capital budget. The breathing apparatus is 15 years old and purchased with a grant from Chief Sanford and they are due for replacement. Chief did a risk assessment and he was fortunate to get a highly competitive grant which is \$30,000.00. Otherwise we would take the \$320,000.00 out of our general funds capital budget to pay for that. Next year all of the cylinders in the breathing apparatus will be approaching 15 years old and we will need to replace those anyway. The \$75,000.00 is for replacement of life pack defibrillators on paramedic units. All trucks have automatic defibrillators for civilian use and for regular firefighters, but they are the most frequently used piece of equipment in the department. In 2015 we purchased 3 of these devices. We were subject to a life threatening recall. They are a class 1 FDA life threatening recall . The FDA would not be supporting the units. The new units would have to go out to bid. Metronic is the other vender and Chief secured a competitive quote from them, and hopefully get this done by end of year. They will replace 3 units and will get a \$ 6,500.00 trade on all 3 of those units. FDA requires they be retired at 7 years. It is only a couple years premature.

The diesel exhaust removal systems are identified by the assistant to firefighters grant program as a high priority item so he can apply next year or following year. The other project is station repair and improvements and to do some boiler and air conditioning work but we are probably going to be prioritized with the Honeywell project that the town is entering into, so it will end up being a wash.

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7. **East Haven Food Pantry**

Letter dated September 19, 2018 from Food Pantry. Paul stated it is a stipend and perhaps the letter was sent because they thought the funds were going to be cut. That is not the case. That money will go to East Haven Food Pantry.


8. **Approve 2019 Board of Finance Meeting Dates**

Noreen made a motion to approve dates, Beth seconded. Motion carried.

9. **Adjournment**

Noreen Clough made a motion to Adjourn at 7:29. Beth Purcell Seconds. All in favor. Motion Carried.

Respectfully Submitted,


Susan Mauro
Board of Finance Clerk