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EAST HAVEN, CONN

*Lisa Balter*

TOWN CLERK

**East Haven Board of Finance  
Regular Meeting Minutes  
May 15, 2024**

The East Haven Board of Finance held a Regular Meeting on Wednesday, May 15, 2024, at 7:00 P.M. at the Mario Giaimo, Joseph Vitale Meeting Room Lower Level of East Haven Town Hall, 250 Main Street, East Haven, CT.

1. **Roll Call**

Mayor Joseph Carfora was not present. Rich Esposito, Beth Purcell, Ralph Vitale (via phone), Al Purzycki, Chris Perdo and Ronald DeSena were present. Jim Keeley, Finance Director, was present as well as Town Attorney Michael Luzzi.

2. **Read and Approve Minutes from March 20, 2024**

The undersigned clerk stated we had a correction to the March 20, 2024 minutes. Under New Business it states inaudible and should read Beth Purcell stated "can we use a vacancy rate." Also, for the Budget Vote it was requested that the vote by Beth Purcell be changed from "denied" to Beth Purcell voted no.

Rich Esposito made a motion to approve the minutes with the above changes, Beth Purcell seconds. *All in favor.*

3. **Old Business**

None

4. **New Business**

Rich Esposito asked for an updated vehicle list that the Town has from Jim Keeley.

5. **Public Comment**

None

Chris Perdo made a motion to move 10 Recreation to 5a. Beth Purcell Seconds.

5a. **Recreation**

To: 54430 (10045662)    Mechan & Manual    \$ 6,602.00

From: 51190 (10045662)    Overtime Wages    \$ 6,602.00

Rich made a motion to discuss, Beth seconds.

Liz Franco Spano stated they need to get a water softener tank installation for the rink. The water supply that is used to make the ice is leaving deposits and crystal around the rim of the intake. Over time it will cause damage. This system will prevent that and next year we will get a certain type of salt and when the salt gets added it will not build up like this. It is under warranty for labor and materials. Rich asked if

we will be able to maintain this moving forward. Liz stated yes this is a one-shot deal, we will not need to spend the \$6,000+ every year.

***Roll call, all in favor, motion carried.***

6. **Civil Service**

To: 01-115-0610 Advertising \$2,000.00

From: 01-115-0115 Part time wages \$2,000.00

Al made a motion to discuss, Beth seconds.

Jim spoke and stated this was for Purchasing Agent and a Secretary. Advertising is through the roof

***Roll call, all in favor, motion carried.***

7. **Tax Collector-Refer to Town Council**

Suspense List-see attached Memo from Shayna Acampora, Tax Collector

Rich made a motion to discuss and refer to Town Council, Beth Purcell seconds.

Shaya Acompora, Tax Collector stated this is our annual suspense. Shayna reminded everyone that just because we are asking to suspend it, does not mean that we do not still try to collect it and it does not mean we do not collect it. We have collections monthly on suspended accounts. We are asking that these accounts be added to suspense because we feel at this point we have exhausted many options. We send emails, letters, make phone calls and we have been unable to collect on these accounts. Shayna broke it down by category. Personal Property is a business account we are unable to collect on. The ones on the list are closed businesses and businesses that we are unable to locate. Sometimes people open up an LLC and have intentions on doing construction or repair work and it never takes off and they do not do the appropriate thing to close the business and they get taxed for a couple of years and it lingers there for 15 years. That first category is a total of \$106,374.34. Next is Deceased for Motor Vehicle category. We do not collect a ton of money on people who are deceased. Occasionally we get a family member who comes in and wants to do the right thing, but most often we do not collect. We do not have a way to stop that car from being sold or moving on to a new owner. That amount is \$26,004.06. The next one is the Bad Address and unable to locate for motor vehicle. These are folks that we have been unable to reach and get money for their motor vehicles. We get the mail returned to us as undeliverable. We use a couple of different vendors to locate folks. \$70,747.87. Ralph asked if they get reported to motor vehicle so the vehicle cannot get registered again. Shayna stated absolutely, with motor vehicle we report individuals. The person who has the car registered or multiple people, they will be unable to register a vehicle until they pay this tax obligation. Ralph stated eventually we should get it then. Shayna responded and stated we should but a lot of folks move out of state and Florida is a culprit and there is nothing stopping them from registering in Florida. The Real Estate. We have not put Real Estate on suspense very often. We worked hard at getting this list accurate. This is a lot of vacant land that we are adding. We found that people bought a little sliver of property, they owned it and paid for it and then they pass away and left it to someone or did not change ownership on it and now it just lingers and every year we generate bills for this property and we are not collecting. That is the majority of what is on this list. The number is \$1,020,310.96.

Al asked what about specific ones like returns on the personal property. 70% of that is a company called Tautog Industries LLC. Shayna stated this is the old Master Bait and Tackle. We have tried. It is an LLC so they cannot be held legally liable for taxes. We reached out to our Vendor Rossi Law and there is nothing that can be done because it is an LLC. Al asked what happens to the property. Personal Property tax is for the equipment that is owned in that business, supplies, furniture, etc. There is nothing there now. If it was real estate then yes. Al asked about Oak Ledge Properties. Shayna stated that is a big piece of property that was purchased by Oak Ledge that was built with the intention to have a rock

quarry but that could not happen so they were not able to do what their intended purpose was for it and they have not paid their taxes since that happened which is 15 years. Mike Luzzi stated it makes no sense for us to foreclose on it because the liability far exceeds the value of the taxes. Chris asked who in the Town would look at that. Mike Luzzi stated we do not like to sell Town property and we do not want to add slivers to an existing parcel that might create zoning and building issues and also the cost of foreclosing far exceeds some of the values of these properties. Shayna stated she obviously wants nothing more than these properties to be owned and paid for. We may take a look at some of them and take some and we would keep as open space. Al asked in terms of finance, basically this comes off of receivables? Jim stated if you look at the beginning of the audit report they consider it deferred revenues so the year becomes due, is the year that the auditor's report the revenue on it so all we are doing is going back and saying that that deferred revenue no longer exists but if we get payment on it we can put it back on as revenue at that point. Shayna reports monthly to Jim what they collect in suspended taxes. Al asked what is the 1.2 million what is that in percentage to the total taxable income. Shayna stated it is hard to give that total because that 1.2 is over the past 15 years. We would ask for this once and then maintain that in the future years. It is a starting point for our real estate. Shayna stated in regards to the personal property, the Assessor's office has done a great job if a business is closed, they are taking it out. We want to clean it up and want our collection rate to reflect what we are collection.

***Roll call, all in favor, motion carried.***

8. **Planning & Zoning**

To:	01-111-0610	Advertising	\$1,400.00
From:	01-111-0115	Part time wages	\$1,400.00

Al made a motion to discuss, Beth Seconds.

Joe Budrow spoke and states they only have about \$50.00 in advertising. We almost made it to the year end, but need a little more and take it from part time wages which is what is allocated to our commission clerk who we have not had in a while, and then we can get through.

***Roll call, all in favor, motion carried.***

9. **Town Clerk**

To:	10041109-53657	Data Processing	\$10,000.00
From:	10041109-51110	Regular Salaries	\$10,000.00

Rich made a motion to discuss, Al seconds.

Lisa Balter presented and stated she is running a little short this year because the transactions monthly have been going up recently. She wants to make sure they are good until the end of the year. Lisa has been researching and working with IQS as to why we have a drastic increase in April, she noticed with our sewer liens and town tax liens, we are not making revenue on them but paying \$4.66 for each item. Last year in 2023 we processed 2,548 sewer liens and 635 sewer lien releases and 320 town tax liens and 232 town tax lien releases with no revenue. We do this because it is providing the most accurate title searching. It is on line and available anywhere. Lisa spoke with IQS and they said there is only one town that is using the sewer lien books that they know of. Lisa states she worked with IQS to cut the bill in half for April. They removed 328 town tax documents totaling \$1,462.80. Rich stated he is sure there is a lot of traffic from the title searchers. Lisa stated yes, but also they can do it from home. Beth asked if the salary due to the opening? Lisa stated yes.

***Roll call, all in favor, motion carried.***

## 10. Legal

Beth made a motion to discuss, Al seconds.

At the request of the BOF Town Attorney Mike Luzzi provided an update on some of the pending litigation.

1. **Tweed Expansion**—The Town has appealed the FAA finding that the Tweed proposed action will have no significant impact. The mayor has called for much more extensive evaluation of this proposal called an Environmental Impact Study (EIS). The appeal was filed in the Court of Appeals- Washington DC. Save the Sound has appealed filed an appeal. Attorney Luzzi explained that the appeal is related to the runway lengthening. That the FAA does did have and did not claim jurisdiction of the proposed Terminal expansion, the roadways, parking, demolition of the current terminal; those proposed actions are subject to State and local jurisdiction. He also indicated that the appeal could take up to 18 months.

Ralph spoke and mentioned Attorney Luzzi said the building would be taxable. He asked if anyone checked with Hartford Airport to see if that is taxable. Attorney Luzzi, stated this was the first private/public partnership in the State of CT. Bradley is now owned by the CT Airport Authority, and they own all the airports in CT with the exception of Tweed, but they are similar entities. Years ago, that was not the case, it was not owned by CAA it was owned by the Dept. of Transportation, State of CT. All of the facilities around it that were related to it were being taxed as such. When the CAA was created to put all the airports under one authority they took control of a lot of the surrounding properties. They created a labeling statute for CAA and Attorney Luzzi paraphrases and states they said these entities are taxable, then later in the statute they exempted them, then later in the statute it states because you are not taxing these items anymore because of the exemptions, we are going to make an annual payment of 3.5 million to you as tax replacement. There is no other like evaluation in the State of CT. to what is going on with Tweed.

2. **One Barberry v. Joseph Maturo, et al**—the parties are filing and arguing post judgement motions. Most recently the Town filed a response to the plaintiff's Rule 59 motion for prejudgment interest on the basis that any calculation for the granting of pre judgement interest should use the lower treasury rate, and not the higher prime rate. The judge found in favor of the Town which results in over \$2 million being shaved off the final judgment. The plaintiffs recently filed a sealed motion for attys fees, and the Town will respond accordingly. Given that the judge issued a ruling on the pre judgement interest, she then issued an amended judgment for the case indicating so. That creates a final judgement on the case, which the Town intends to appeal. Attorney Luzzi also indicated that the Town's claims against Town's 2 insurance companies continues. Attorney Luzzi further indicated that he would update the board in the coming months regarding the appeal. Al asked about the ownership. It is not Patton as much anymore, DiLungo is not involved anymore. Chris asked about the costs to all the litigation, he asked for a breakdown. Attorney Luzzi has a breakdown. Al asked what is the best case the town is liable for vs what the insurance companies pick up. Attorney Luzzi said we have self-insurance retention which is a million dollars. Various times there have been (inaudible) in coverage between 5 and 5.5 million dollars so anything over and above the 5.5. million, depending on where the insurance company is, plus the million dollars. Depending on what it settles for, we would have to determine how we would pay for that.

Beth asked about the other lawsuit that was settled. The police case on Frontage Road. Attorney Luzzi states that 80% was paid by the insurance company and we were responsible for our self- insurance retention. It settled for the full exposure of the insurance for 5 million. Our responsibility is the self - insurance retention.

Chris asked if we could get an update on DC Moore. There is a pretrial coming up. Jeff Donofrio is handling for the Town. He can ask Jeff to provide an update.

Al asked if there are any issues with Sperry Lane. Attorney Luzzi stated no, we settled the case and there is an agreement on the land records so the Court retains jurisdiction if the developer doesn't do what they are supposed to do.

Al asked about the affordable housing project. Attorney Luzzi stated it is not in litigation. It is a dense project and there is a public safety issue. We cannot get apparatus in there. Soil studies have been done and other things have been done.

We have had some failure to hire cases, we have a police case, a fire case and there are motion for summary judgements pending in both.

11. **Adjournment**

Beth made a motion to Adjourn at 8:02 P.M. Chris seconds.

Dated this 23rd day of May, 2024,  
East Haven, CT 06512

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Susan Mauro, Board of Finance Clerk

