

EAST HAVEN TOWN COUNCIL
PUBLIC HEARING MINUTES
TUESDAY, OCTOBER 3, 2017

Stacy G. Quinn, CTC
TOWN CLERK

In accordance with Chapter III, Section 6 of the East Haven Town Charter, the East Haven Town Council Hearing Committee held a public hearing meeting Tuesday, October 3, 2017, at 7:00PM at the East Haven Senior Center, 91 Taylor Avenue, East Haven, CT 06512.

Chairman Fred Parlato calls the meeting to order at 7:00PM.

Item #1

Roll Call for Hearing Committee- 11 present- 3 absent (Depalma, Richardson, Butler III). A quorum is present.

Item #2

To conduct Public Hearing #1 regarding an "Ordinance approving a transfer of \$219,542.00 for Employee Benefits."

Finance Director Paul Rizza explains that this is one of the annual close the old year transfers. This one is to move money into the retirement payouts account due to employees who retired before the end of the fiscal year. He says in all of these transfers tonight they were fortunate to have available funds, for the most part, in the Departments where the monies are going. For this transfer, they were \$205,000 short on the payouts but did save \$205,000 in funds that were budgeted for Blue Cross.

No public comment.

No Council comment.

Item #3

Adjournment of Public Hearing #1.

Councilman Joseph Santino makes a motion.

Councilman Ken Mckay seconds the motion.

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

Item #4

To conduct Public Hearing #2 regarding an "Ordinance approving a transfer of \$64,527.00 for Sanitation."

Mr. Rizza says again, this is a transfer within two like Departments, the 226 accounts are for the disposal of our waste collection and the 224 accounts are Public Services regular salaries. There were some open positions during the year so they saved some money in the salary account. There was a larger expenditure for our collection and disposal of waste collection.

No public comment.

No Council comment.

Item #5

Adjournment of Public Hearing #2.

Councilman Santino makes a motion.

Councilman Mckay seconds the motion.

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

Item #6

To conduct Public Hearing #3 regarding an "Ordinance approving a transfer of \$138,210.00 for the Police Department."

Mr. Rizza explains that this is for overtime wages in the Police Department from regular salaries and holiday pay. They are basically moving money from the left pocket to the right for an end of year closeout. There were some openings in Police over the course of the year, which is why the regular salary account had money left in it.

No public comment.

No Council comment.

Item #7

Adjournment of Public Hearing #3.

Councilman Santino makes a motion.

Councilman Mckay seconds the motion.

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

Item #8

To conduct Public Hearing #4 regarding an "Ordinance approving a transfer of \$295,555.00 for the Fire Department."

Mr. Rizza explains that during the year there were a number of vacancies in the Fire Department, this is an end of year transfer. There were a number of Firefighters working regular shifts, which comes out of regular salaries, and not overtime and there is also the transfer for Garcia payments, which give the firefighters extra pay, based on a month-to-month period. The money came from retirement contributions and Medicare and they had a good year with not paying a lot for unemployment and also from Public Services regular salaries because there were some vacancies all of which balanced out the other side of the transfer.

No public comment.

Council comment:

- Vice Chairman Robert Sand asks how many people the longevity payments break down to.
- Mr. Rizza says its roughly \$29,000 in total payments for longevity in the Department, there are a number of new people who don't receive longevity.
- Fire Chief Matthew Marcarelli says there was an overage in longevity, they did take some payments for retirees out of longevity and he adds that new employees don't get longevity.
- Chairman Parlato says for the Garcia payments, if they work a certain number of hours in a certain time period, it is actually overtime for the Fire Department. Is this a little high this year compared to other years?
- Mr. Rizza says it is slightly higher because of lack of firefighters; we weren't full staff at any time during the year so it tends to drive up the cost of this.
- Chairman Parlato says so with the additional firefighters and if no one gets injured this number should reduce in the next budget?
- Mr. Rizza says yes. They had budgeted for \$120,000 and spent \$230,000.

Item #9

Adjournment of Public Hearing #4.

Councilman Santino makes a motion.

Councilman Mckay seconds the motion.

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

Councilman Santino makes a motion to waive the reading of the entire Ordinance.

Councilman Parente seconds the motion.

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

Item #10

To conduct Public Hearing #5 regarding "AN ORDINANCE MAKING APPROPRIATIONS FOR VARIOUS PUBLIC IMPROVEMENTS AGGREGATING \$2,520,000 FOR THE 2017-2018 CAPITAL BUDGET AND AUTHORIZING THE ISSUANCE OF \$2,520,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATIONS AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE."

No public comment.

Council comment:

- Councilman Nicholas Palladino says in the Police Department they are buying new vehicles for \$150,000 which he is sure they desperately need but with the surplus we have, wouldn't it be better to buy the cars and not bond for police cars which only last a few years and save money on the financing of them.
- Mr. Rizza says the monies he mentioned first was fund balance money and by having the fund balance it ensures that we get very attractive borrowing rates and based on those rates it is more conducive for us to borrow than pull money out of the fund balance. You reach a 5%-5.5% level and where we are right now is only the beginning of where we should be, and in talking with other Finance Directors around the State, people are starting to get scared because the State, as far as he knows, hasn't resolved the budget problems for the year and we don't know how much we are getting and we are in month four. It is very difficult to budget and people are now concerned with the fact that because the State is not stable, it will have an effect on every municipality in Connecticut which may also affect bond ratings. If we get cut \$1,000,000 how do we make it up and when do we get notified.
- Councilman Palladino says so \$150,000 to buy the cars would make a difference in our bond rating?
- Mr. Rizza says yes, and he is only looking at \$150,000 this is really over \$2,000,000.
- Councilman Palladino says with what he is saying, what is going to happen to our bond rating when we have to come up with the \$918,000 that is still overspent by the Board of Education; eventually we have to pay that. What is that going to do to our bond rating?
- Mr. Rizza says it will do nothing to it, we have technically already paid that. We did not move the money, it has been invested for over a year and we get interest on that money.

- Councilman Palladino says so we paid back that money? Then how did we pay it?
- Mr. Rizza says we have not moved the money; it is still in the bank. He uses an example and says in the bankbook every month they have a balance and they are investing it in the State's Treasurer's Fund. The money has not moved into anyone else's bankbook, it has been in the Town's fund.
- Councilman Palladino says did we or did we not overspend \$918,000 for the Board of Education, did we not overspend what we had allocated.
- Mr. Rizza says the real question is did we give the money that the Board overspent, to the Board and the answer is no. He doesn't recall the Council making a motion and saying to move the money.
- Councilman Palladino says no, they never did. Bills don't mysteriously get paid, then they are using this year's money to pay last year's bills.
- Mr. Rizza says he can't comment on that, he no longer knows.
- Vice Chairman Sand says Mr. Rizza sent a letter to the Town Council as they had asked for an audit report and the first thing asked was if there was anything criminal which was a concern of Councilman Palladino and he put it in a letter with his reputation on the line based on the auditor's report.
- Chairman Parlato makes a point of order that they are getting off topic, they are on the item of the capital budget and the bonding package.
- Councilman Richard Anania says years ago when they did the budget they would have the capital improvements in front of them when they did the budget. He was wondering why they got away from it and if they could get back to it because maybe some of the stuff in the capital budget could come out of the regular budget; the Department heads can put it in their budget and if they decide no then it can be put into capital. He thinks it is a good practice to have the capital proposal in front of them when they are doing the regular budget rather than months later.
- Chairman Parlato says he sees no problem with doing that and depending on who is on the Council following the election they can keep it in mind to streamline the whole budget process. It is nice to know what it is going to cost for the whole 12 months of the year and what the operating and bonding budgets are.
- Councilman Parente says he heard for Hays School its only \$100,000, he knows the bill was around \$160,000.
- Mr. Rizza says there were other funds available, the \$100,00 is the balance of what they need to pay it off.
- Councilman Parente says okay, he wanted to make sure there wasn't going to be a shortfall as long as it is coming out of another account.

Item #11

Adjournment of Public Hearing #5.

Councilman Santino makes a motion.

Councilman Mckay seconds the motion.

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

Item #12

Hearing Committee report to the full Town Council and recommendation of action on Public Hearings #1, #2, #3, #4, and #5.

Vice Chairman Sand makes a motion.

Councilman Santino seconds the motion.

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

Item #13

Adjournment of Hearing Committee.

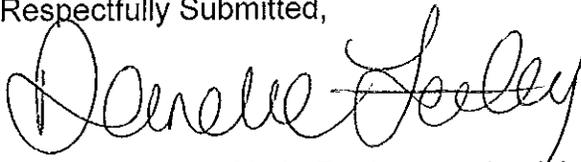
Councilman Santino makes a motion.

Councilman Mckay seconds the motion.

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

Meeting is adjourned at 7:28PM.

Respectfully Submitted,



Danelle Feeley, Clerk, East Haven Legislative Town Council