

EAST HAVEN TOWN COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MARCH 7, 2017

Mary Gravano, CTC
TOWN CLERK

The East Haven Town Council held a regular meeting Tuesday, March 7, 2017, at 7:00PM at the East Haven Senior Center, 91 Taylor Avenue, East Haven, CT 06512 in order to transact the following.

Chairman Fred Parlato calls the meeting to order at 7:00PM.
He asks all to stand for the pledge of allegiance.

Item #1

Roll Call -12 present - 3 absent (Spaduzzi, Butler III and Anania).
A quorum is present.

Item #2

Approval of minutes from the February 7, 2017 Regular Meeting.

Councilman Joseph Santino makes a motion.
Councilman Ken Mckay seconds the motion.
Voice vote: all in favor-none oppose-none abstain. Motion carries.

Item #3

Correspondence-

- A resignation letter from Carmel Antonucci from the Old Cemetery Board.

Item #4

Subcommittee Reports:

- a. Subcommittee on Education, Library, and School Building;
 - o Councilman Robert Parente says that The Board of Education has been going back and forth with their budget and will be finalizing it and giving it to the Mayor with their recommendation.
- b. Subcommittee on Public Safety, Health, & Welfare;
 - o Councilman Santino says they are in the process of doubling the fines for businesses that don't shovel their sidewalks.
 - o Town Attorney Joseph Zullo explains that when he was approached about increasing the fine from \$100 to \$200 he went to the Zoning Officer Chris

Soto. The only reason it isn't on the Agenda for a vote tonight is because Chris took this as an opportunity to update all of their blight citations so that there is just 1 uniform citation that Zoning and the Police Department can leave in regards to any and all quality of life offences. They just need a little more time to get that all together and then bring it back to the Council.

c. Subcommittee on Finance;

- o Councilman William Richardson says that they are beginning their busy season; on February 15th they heard the auditor's report. Their first budget workshop is tonight and then they have one March 9th, 14th, 15th - Board of Education, 20th and then on the 23rd they vote on it.

d. Subcommittee on Public Services, Parks, & Recreation; no report.

e. Subcommittee on Urban Renewal/Housing; no report.

Item#5

To consider and act upon a Resolution Confirming Commitment and Participation in a Regional Household Hazardous Waste Collection Center.

A Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign an Infrastructure Assistance Agreement between the Town of East Haven and the State of Connecticut securing grant funds totaling \$1,241,831.00 under the Community Development Block Grant-Disaster Recovery Program for the reconstruction of Hemingway and Coe Avenues

WHEREAS, the intersection of Hemingway and Coe Avenues is prone to repetitive flooding and ponding during high tides and severe weather events;

AND WHEREAS, the Town of East Haven desires to perform substantial improvements to raise said intersection to reduce to alleviate and prevent the flooding at that intersection;

AND WHEREAS, the Town of East Haven has secured \$1,241,831.00 in grant funding from the State of Connecticut under the Community Development Block Grant-Disaster Recovery Program for the reconstruction of Hemingway and Coe Avenues;

AND WHEREAS, the Town must execute an Infrastructure Assistance Agreement with the State of Connecticut outlining the terms on which the grant funding has been extended to the Town;

NOW THEREFORE, BE IT RESOLVED that said Infrastructure Assistance Agreement is 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 said agreement, 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 agreement.

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

Councilman Mckay makes a motion.

Councilman Richardson seconds the motion.

No public comment.

Council comment:

- Councilman Richardson asks what the cost estimate is.
- Attorney Zullo says there was a figure in their packet, which was for a ½ year of approximately \$10,775 so it should be about \$20,000 for a full year.

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

Item #6

To consider and act upon a Resolution Approving and Authorizing Mayor Joseph Maturo, Jr., or his designee, to sign an Infrastructure Assistance Agreement between the Town of East Haven and the State of Connecticut securing grant funds totaling \$1,241,831.00 under the Community Development Block Grant-Disaster Recovery Program for the reconstruction of Hemingway and Coe Avenues.

Councilman Santino makes a motion.

Councilman Mckay seconds the motion.

- Sal Brancati, Director of Administration & Management- Mr. Brancati explains that they applied for this grant when there was money available for flood disaster following Hurricane Sandy and were awarded \$1,241,000. The total estimated cost in the grant application was \$1,655,000. The State awarded the \$1,241,000 and the Town matched 25% from capital accounts. They did an RFP two weeks ago to choose a viable engineer for the final design of the project. The

preliminary engineering work was done which is how they applied for the grant. He received three packages from three engineering firms that he gave to Kevin White for review and they will sit down and recommend the most appropriate firm to the Mayor. They hope to have it started late summer and there is a deadline for completion of the project of December 31, 2018.

No public comment.

Council comment:

- Councilman Palladino says he remembers when the original job was done years ago, they did the drainage that went down to the ocean and opened at low tide and the water went out but at high tide the water couldn't get out. By raising it, where is the water going to go? This has been a problem forever, as long as the water goes out it drains but in the meantime at high tide it doesn't.
- Mr. Brancati says the engineers have assured them that they know how to create a plan to make it work. Raising it 2 ft. will not eliminate all of the water in the intersection during a heavy storm like Sandy; in normal rain there wouldn't be any water at all with this 2 ft. elevation. During a heavy storm there will still be some water but it will be passable by car and not to the point where they couldn't evacuate people from the beach. They are optimistic that the engineers know what they are doing and can devise a plan to make the water go somewhere else besides in the intersection.
- Councilman Santino asks if they foresee any impact on the businesses over there.
- Mr. Brancati says no, the people they have talked to so far and the engineers they worked with while doing the application don't see any impact on the businesses. He would imagine there would be some type of underground system to move the water; he is not the engineer so he doesn't know where the water will be moved to via underground pipes.
- Councilman Parente asks if there will be public hearings on this.
- Mr. Brancati says he doesn't know if there has to be.
- Councilman Santino says it is a State project so they may have to hold public hearings.
- Mr. Brancati says it is a State road but they have not mentioned to him that they require public hearings; they provided the assistance agreement and budget information that if approved tonight they will send back to DOH. The money comes from the Department of Housing, if there is a public hearing required they will certainly have it but they have not mentioned that it is required as of yet.
- Councilman Parente asks if there is a tentative date of completion.
- Mr. Brancati says December 31, 2018.

- Chairman Parlato asks if the preliminary engineering plans have already been drawn up and approved by the State. Mr. Brancati says yes. Chairman Parlato says whatever is done will help alleviate the problem and it will be an improvement.
- Mr. Brancati says one engineer who was not hired by them recommended raising the intersection by 5ft. and putting a retaining wall down Coe Ave to hold the water. He ended the meeting with that firm after that suggestion. Everyone else that looked at the preliminary plans assured them that 2 ft. was more than adequate to alleviate disaster flooding at that intersection. He spoke to the UI and there is no problem there for them.
- Councilman Santino says if they raise it 2 ft. they will obviously have to raise the lighting and traffic light poles.
- Mr. Brancati says yes, so they met with the UI regarding all of the lighting in the area.

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

Item #7

Review of 2017-2018 budget season meeting schedule.

- Councilman Richardson says at the bottom is says all Department heads should be in attendance, is there any way to make it mandatory that they attend?
- Attorney Zullo says they have the power of the purse though they can't make it mandatory for them to be there.
- Chairman Parlato says he is going to personally meet with those who did not attend during the last budget.
- Attorney Zullo adds that he was asked if the Board of Education Subcommittee scheduled for April 11th could switch with general review on April 13th due to a meeting conflict they have.

All Council members were in agreement on the schedule; the Clerk will send revised schedule.

Item #8

To consider and act upon a Resolution setting a Public Hearing date and time to discuss "An Ordinance adopting the Town and Board of Education Budgets and fixing the tax rate in mills for the 2017-2018 fiscal year of the Town of East Haven." - Board of

Education Side of the Budget. The Public Hearing shall take place on April 17, 2017, at 7:00PM, at the East Haven Senior Center, 91 Taylor Avenue, East Haven, Connecticut.

A Resolution Setting a Public Hearing for April 17, 2017 to discuss an "Ordinance adopting the Town and Board of Education Budgets and fixing the tax rate in mills for the 2017-2018 fiscal year of the Town of East Haven." - Board of Education Side of the Budget.

BE IT RESOLVED that, pursuant to Chapter 3, Section 6 of the Town Charter and Section A, Item 3 of the Town Council Standing Rules, a public hearing shall take place on April 17, 2017, at 7:00PM, at the East Haven Senior Center, 91 Taylor Avenue, East Haven, Connecticut to discuss an "Ordinance adopting the Town and Board of Education Budgets and fixing the tax rate in mills for the 2017-2018 fiscal year of the Town of East Haven." - Board of Education Side of the Budget.

BE IT FURTHER RESOLVED that the council clerk and Town Attorney are charged to effectuate notice of said public hearing in accordance with the Town Charter and the Standing Rules.

Councilman Richardson makes a motion.
Councilman Parente 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 setting a Public Hearing date and time to discuss "An Ordinance adopting the Town and Board of Education Budgets and fixing the tax rate in mills for the 2017-2018 fiscal year of the Town of East Haven." - Town Side of the Budget. The Public Hearing shall take place on April 18, 2017, at 7:00PM, at the East Haven Senior Center, 91 Taylor Avenue, East Haven, Connecticut.

A Resolution Setting a Public Hearing for April 18, 2017 to discuss an "Ordinance adopting the Town and Board of Education Budgets and fixing the tax rate in mills for the 2017-2018 fiscal year of the Town of East Haven." - Town Side of the Budget.

BE IT RESOLVED that, pursuant to Chapter 3, Section 6 of the Town Charter and Section A, Item 3 of the Town Council Standing Rules, a public hearing shall take place on April 18, 2017, at 7:00PM, at the East Haven Senior Center, 91 Taylor Avenue, East Haven, Connecticut to discuss an "Ordinance adopting the Town and Board of

Education Budgets and fixing the tax rate in mills for the 2017-2018 fiscal year of the Town of East Haven." - Town Side of the Budget.

BE IT FURTHER RESOLVED that the council clerk and Town Attorney are charged to effectuate notice of said public hearing in accordance with the Town Charter and the Standing Rules.

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.

Item #10

To consider and act upon a Fair Housing Resolution for the Town of East Haven.

FAIR HOUSING RESOLUTION TOWN OF EAST HAVEN

- Whereas, All persons are afforded a right to full and equal housing opportunities in the neighborhood of their choice; and
- Whereas, Federal fair housing laws require that all individuals, regardless of race, color, religion, sex, handicap, familial status or national origin, be given equal access to all housing- related opportunities, including rental and homeownership opportunities, and be allowed to make free choices regarding housing location; and
- Whereas, Connecticut fair housing laws require that all individuals, regardless of race, creed, color, national origin, ancestry, sex, marital status, age, lawful source of income, familial status, learning disability, physical or mental disability, sexual orientation, be given equal access to all housing-related opportunities, including rental and home ownership opportunities, and be allowed to make free choices regarding housing location; and
- Whereas, The Town of East Haven is committed to upholding these laws, and realizes that these laws must be supplemented by an Affirmative Statement publicly endorsing the right of all people to full and equal housing opportunities in the neighborhood of their choice.

NOW THEREFORE, BE IT RESOLVED,

That the Town of East Haven hereby endorses a Fair Housing Policy to ensure equal opportunity for all persons to rent, purchase, obtain financing and enjoy all other housing-related services of their choice on a non-discriminatory basis as provided by state and federal law; and

BE IT FURTHER RESOLVED,

That the chief executive officer of the Town of East Haven or his/her designated representative is responsible for responding to and assisting any person who alleges to be the victim of an illegal discriminatory housing practice in the Town of East Haven and for advising such person of the right to file a complaint with the State of Connecticut Commission on Human Rights and Opportunities (CHRO) or the U.S. Department of Housing and Urban Development (HUD) or to seek assistance from the CT Fair Housing Center, legal services, or other fair housing organizations to protect his or her right to equal housing opportunities.

Adopted by the **Town of East Haven** on _____

Joseph Maturo Jr., Mayor

Councilman Richardson makes a motion.

Councilman Santino seconds the motion.

No public comment.

No Council comment.

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

Item #11

To consider and act upon a Resolution adopting and authorizing Mayor Joseph Maturo, Jr., to sign a Fair Housing Policy Statement and Fair Housing Resolution affirming the Town's fair housing policies.

Town of East Haven Fair Housing Policy Statement

It is the policy of the Town of East Haven to promote fair housing opportunities and to encourage racial and economic integration in all its programs and housing development activities.

Programs funded and administered by this Town of East Haven must comply with the provisions of Section 46a-64c of the C.G.S., and with related state and federal laws and regulations that prohibit discriminatory housing practices.

The Town of East Haven or any of sub-recipient of the Town of East Haven will carry out an affirmative marketing program to attract prospective buyers or tenants of all majority or minority groups, without consideration of race, color, religion, sex, national origin, ancestry, creed, sexual orientation, marital status, lawful source of income, disability, age or because the individual has children in all programs and housing development activities funded or administered by the Town of East Haven.

The municipality's Housing Authority is responsible for enforcement and implementation of this policy. The Director of the East Haven Housing Authority, Sal Brancati may be reached at (203) 468-3205.

Complaints pertaining to discrimination in any program funded or administered by this Town of East Haven may be filed with the East Haven Housing Authority. The municipality's Grievance Procedure will be utilized in these cases.

Complaints also may be filed with the Commission on Human Rights and Opportunity, Special Enforcement Unit, 21 Grand Street, Hartford, CT 06106, Telephone (860) 541-3403.

A copy of this policy statement will be given annual to all Town of East Haven employees and they are expected to fully comply with it. In addition, a copy will be posted throughout the Town of East Haven.

Date

Joseph Maturo Jr., Mayor

Councilman Mckay makes a motion.

Councilman Nicholas Palladino seconds the motion.

No public comment.

No Council comment.

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

Item #12

To consider and act upon a Resolution adopting and authorizing Mayor Joseph Maturo, Jr., to sign a Statement of Compliance with Title VI of the Civil Rights Act of 1964.

Town of East Haven Compliance with Title VI of the Civil Rights Act of 1964

The Town of East Haven does not discriminate in the provision of services, the administration of its programs, or contractual agreements. The Town of East Haven seeks to fully carry out its responsibilities under the Title VI Regulations.

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the grounds of race, color or national origin in programs and activities receiving Federal financial assistance. Title VI provides that No person shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any programs covered by the Regulations.

The policy is effectuated through the methods of administration outlined in the Town of East Haven's Fair Housing Plan and is fully implemented to ensure compliance by the Town of East Haven, as the recipient, and by sub-receipts. The cooperation of all personnel is required.

Joseph Maturo Jr., Mayor

Date

Councilman Mckay makes a motion.

Councilman Palladino seconds the motion.

Public comment:

- Lisa Geraci-Anastasio-81 Salerno Avenue- Ms. Geraci-Anastasio says she knows there is a facility in town with a lottery system, but there are so many people on waiting lists. She looked into a couple of grants and possible opportunities for future developments because there is a large population in need of more affordable housing based on various characteristics. She asks if this has been explored and/or could it be thought about in the near future because there is a lot of property and land that can be used. There are some grant opportunities available.
- Chairman Parlato says the Town itself isn't in the business of supplying housing that is usually done by a private developer or some entity that wishes to take it up. The problem with it is that there are so many people that do need it and so many guidelines that go along with it and rules/regulations to follow. The Town doesn't have the budget or staff to do these things but they are more than receptive of people who want to do it. Mr. Brancati is very receptive to people who propose something like that given the right location. If the opportunity is there and someone has the funds to do it then they can.
- Ms. Geraci-Anastasio says she is in social work and understands that there may need to be a company that does it but what she read it doesn't always have to be the case, she believes it can also be the Town. She will do further research and maybe bring it back to the Council. This is a dire need and she will look further into it.

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

Item #13

To consider and act upon a Resolution adopting and authorizing Mayor Joseph Maturo, Jr., to sign an affirmative action policy statement.

Town of East Haven AFFIRMATIVE ACTION POLICY STATEMENT

As Mayor of the Town of East Haven, I recognize the need for Affirmative Action and I pledge my commitment to undertake positive actions to overcome the present effects of past practices or barriers to equal employment opportunity and to achieve the full and fair participation of minorities, women, people with disabilities, older person, and all other protected groups to be underutilized in the Town of East Haven's work force or affected by policies having an adverse

impact. In spirit of Executive Order 11, signed by Governor Ella Grasso November 21, 1975, and Executive Order 9, signed by Governor William A. O'Neill on January 3, 1984, I further state that this Town of East Haven will comply with the anti-discrimination provisions of the state and federal laws and regulations listed at the end of this section.

I recognize the hiring difficulties experienced by minorities, people with disabilities and by many older persons and, where appropriate, I have set goals to overcome the present effects of past discrimination, if any, to achieve the full and fair utilization of such persons in the work force. I further pledge that the Town of East Haven will affirmatively provide services and programs in fair and impartial manner.

Where adverse impact is identified, the Town of East Haven will: (1) review its personnel policies and procedures to ensure that barriers, which unnecessarily exclude protected classes and practices, which have an illegal discriminatory impact, are identified and eliminated; (2) explore alternative approaches to employ minorities and members of protected classes; (3) administer all terms, conditions, privileges and benefits to the employment process in an equitable manner, and (4) establish procedures for the extra effort that may be necessary to ensure that the recruitment and hiring of protected group members reflect their availability in the job market.

It is the policy of the Town of East Haven to provide equal employment opportunities without consideration of race, color, religion, age, sex, marital status, nation origin, genetic information, past/present history of mental disability, ancestry, mental retardation, learning or physical disabilities including, but not limited to blindness, sexual orientation, political belief or criminal record, unless the provision of Section 46-a-60(b) and 46a-81(b) of Connecticut General Statutes are controlling or there is a bonafide occupational qualification excluding persons in one of the above protected groups. This policy applies to all aspects of the employer/employee relationship including, but not limited to, recruitment, hiring, referrals, classifying, advertising, training, upgrading, promotion, benefits, compensation, discipline, layoff, and terminations.

The Town of East Haven will implement, monitor and enforce this Affirmative Action Policy Statement in conjunction with the applicable federal and state laws, regulations and executive orders listed below: 13th, 14th and 15th Amendments of the United States Constitution, Civil Rights Act of 1866, 1870, 1871, Equal Pay Act of 1963, Title VI and VII of the 1964 United States Civil Rights Act, Presidential Executive Orders 11246, amended by 11375, (Nondiscrimination under federal contracts), Act 1, Section 1 and 20 of the Connecticut Constitution, Governor Grasso's Executive Order Number 11, Governor O'Neill Executive Order Number 9, the Connecticut Fair Employment Practices Law (46a-63-64), Discrimination against Criminal Offenders (46a-80), Connecticut General Statutes, Connecticut Code of Fair Accommodations Law (46-63-64), definition of Blind (46a-51 (1)), definition of Physically Disabled (46a-51 (15)), definition of Mentally Retarded (46a-51 (13), cooperation with the Commission of Human Rights and Opportunities (46-a-77), Sexual Harassment (46-60-(a)) Connecticut Credit Discrimination Law (360436 through 439), Title I of the State and the Local Fiscal Assistance Act of 1972 and the Americans with Disabilities act of 1992.

The policy statement will be given annually to all Town of East Haven employees and will also be posted throughout the Town of East Haven. I also expect each supplier, union, consultant and other entity (s) with which we do business to comply with all applicable State and Federal Equal Opportunity laws and regulations. The Town of East Haven will not knowingly do business with

any entity debarred from participation in any federal or state program or found to be in violation of any state or federal anti-discrimination law.

I have assigned the responsibility to achieve the successful implementation of our goals and objectives to Sal Brancati, Director of Housing and Urban Development, 203-468-3205, eh.brancati@gmail.com

Date

Joseph Maturo Jr., Mayor

Councilman Santino makes a motion.

Councilwoman Susan Archambault seconds the motion.

No public comment.

No Council comment.

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

Item #14

To consider and act upon a Resolution adopting and authorizing Mayor Joseph Maturo, Jr., to sign an ADA Notice of "Municipal Grievance Procedure" and associated documents.

Town of East Haven ADA MUNICIPAL GRIEVANCE PROCEDURE

This Grievance Procedure is established to meet the requirements of the Americans with Disabilities Act. It may be used by anyone who wishes to file a complaint alleging discrimination on the basis of disability in employment practices and policies or the provision of services, activities, programs, or benefits by the Town of East Haven.

The complaint should be in writing and contain information about the alleged discrimination such as name, address, phone number of complainant and location, date, and description of the problem. Alternative means of filing complaints, such as personal interviews or a tape recording of the complaint will be made available for persons with disabilities upon request.

The complaint should be submitted by the grievant and/or his/her designee as soon as possible but no later than 60 calendar days after the alleged violation to:

**Candace Criscuolo
(203) 468-3210
250 Main Street, East Haven, CT 06512**

Within 15 calendar days after receipt of the complaint, Candace Criscuolo will meet with the complainant to discuss the complaint and possible resolutions. Within 15 calendar days after the meeting, Candace Criscuolo will respond in writing, and, where appropriate, in a format accessible to the complainant, such

as large print, Braille, or audio tape. The response will explain the position of Candace Criscuolo and offer options for substantive resolution of the complaint.

If the response by Candace Criscuolo does not satisfactorily resolve the issue, the complainant and/or his/her designee may appeal the decision of the ADA Coordinator within 15 calendar days after receipt of the response to the Mayor or his/ her designee.

Within 15 calendar days of receipt of the appeal, the Mayor or his/her designee will meet with the complainant to discuss the complaint and possible resolutions. Within 15 calendar days after the meeting the Mayor or his/her designee will respond in writing, and where appropriate, in a format accessible to the complainant, with a final resolution of the complaint.

All written complaints received by Candace Criscuolo, appeals to the Mayor or his/her designee, and responses from the ADA coordinator and Mayor or his/her designee will be kept by the Town of East Haven for at least three years.

Joseph Maturo Jr., Mayor

Date

Councilman Santino makes a motion.
Councilman Palladino seconds the motion.

No public comment.

Council comment:

- Councilman McKay asks if there is something in the charter that addresses this.
- Attorney Zullo says there is not something in the charter that specifically addresses this, but April is Fair Housing month and this is part of the Town's commitment to abide by all of the policies pertaining to this. It also serves as the springboard for if we were to apply for the Small Cities Housing Rehab Program for income eligible individuals.

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

Item #15

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

Colarc Holdings, LLC
15 Hosley Ave.
Branford, CT 06405

Acct./List: 2015-01-0006149
Reason: Refund of duplicate/over-payment

TOTAL: \$2,276.65

Councilman Santino makes a motion.

Councilman Palladino seconds the motion.

No public comment.

Council comment:

- Councilman Santino asks if this is for real estate.
- Attorney Zullo explains it is for real estate where there was duplicate payment due to the buyer and seller both paying.
- Councilman Richardson asks if this is for property located on Charter Oak Ave.
- Attorney Zullo says yes, 26 Charter Oak Avenue is the property but the refund is going back to the Mortgage Company in Branford for the double payment.

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

Chairman Parlato thanks Councilman Sand for sitting in for him when he was acting Mayor when the Mayor was out of Town. He references an article in the paper and explains that he will not let someone use this forum as a way to attack someone personally. The gentleman who came to the meeting that night was given all the opportunities to go through the process properly. He explained the process to him and he chose not to follow through with it. The Town Council is a Legislative body with little control over elected officials and their actions. They govern through Ordinances and pass budgets. He was elected 11 times and thinks the course of action he took, as Chairman, was proper. If anyone has any problems with the process or wants to discuss anything they can contact him at any time.

Item #16

Update from Finance Director regarding Board of Education audit.

- Finance Director Paul Rizza addresses the Council and explains that he drafted a letter to the Mayor concerning what he has been doing up to this point. They have signed an agreement with our auditor who was before the Council in February. He has been reviewing for about 3 weeks and what he is doing is looking at not only last year ending June 30, 2016 but also the current year. He is going to make an estimate as to if there are any shortfalls in the current budget and what his opinions are; everyone will get a copy of that report. He guesses they should see it by the end of the month or possibly a little earlier. The Board of

Finance, Town Council and Board of Education are all interested in this report and will all look at it. He has already audited the old year; he is doing a financial review and is now reaffirming what was done prior. He is looking at expenditures and the accountability of what has gone on from July 1st through the end of February. He is also looking at the reconciliations of the accounts as well as grants that have been received from the State and other places. After last month's meeting he called the auditor and asked him very specifically if all funds were accounted for and his answer was yes, he asked if he saw any appearance of any wrongdoing his answer was no, was there any fraud, no. He explains that he meets with the auditor and his staff along with his own assistant Jim Keeley usually in October during the audit period to go over a roughly 15 page questionnaire where they ask him if he has seen anything out of the ordinary, or are there new procedures, are there dropped procedures, is there new staff, etc. He then signs off on all of the answers for both the Board of Education and the Town. There is also a second part called audit protocol which he has experience with here as well as other municipalities and how it works is if the auditor or his people come across anything illegal or any wrongdoings or appearance of these they immediately call him with the details and he then goes directly to the Mayor and the Town Attorney. If it is local money in question they call the local police or State's Attorney, if it is State grants they call the funding agency, if it's federal money they call the Federal Government. This is done in any type of case of wrongdoing or appearance of and that has not happened here in this situation. When people say there is an investigation on, there is no investigation going on that he knows of, they are doing a financial review and trying to help the Board of Education bring itself in line if they have a problem. When they get the report back they will know if there is a problem. One of the questions they had last month was where did the money come from that they used? He explains that they get paper requests in his office. The requests he has with him were done in June 2016, the last month of the fiscal year that was put in the report. It shows that there was a request for funding in the old year, which was more of a request than was available to give them. The request was for \$1,300,000 and there was only \$900,000 left to be sent so that is exactly what was sent, exactly \$906,000. So they did not pay additional money over the appropriation to the Board of Education in the 2015-2016 year. What money was used? It would have been monies that were sent for the new fiscal year 2016-2017; he would guess parts of the three payments in July were used for overages. Is this illegal, no, but is it not a good financial practice, he would say yes. Did they have an over expenditure, obviously they did. The auditor is looking at where the problems were in that year and where potential problems would be in the current year. The areas being looked at are medical benefits, salaries, special education and special education

transportation and he thinks they will be paramount in the corrective action plan. In the letter he discussed other areas they are working on with the Board itself; all new hires being brought before the Board for a vote there is a lot more information being given and the most important thing is not just a name but also the position, how many hours, the annual rate and also most importantly where the money is coming from. As the Board votes yes or no on the new hire they also know where the money is coming from which is a change in their system. They are also running monthly reports, which will go to him and also to the monthly finance subcommittee and entire Board. They are also looking to open two new bank accounts, one for payroll and one for payables (bills). They will use one account for one fiscal year, when the new year comes they will use the new account and in year three they go back to account one so there would be one big picture in those two accounts and make it easier to account for the money in each year. The good thing is they are making progress and the firm will produce a report and then they will hopefully have all of the answers they need and there may be more questions but it will go back into the hands of the Board of Education since it is their job to manage it.

Council comment:

- Councilwoman Lettieri-Morales says basically what it boils down to is the Board of Ed. used money to pay for 2015-2016 from the money they got in 2016-2017, is that what he is saying?
- Mr. Rizza says basically yes.
- Councilwoman Lettieri-Morales asks who is responsible for doing that, the members of the Board of Ed. don't write the checks out, who writes the checks out.
- Mr. Rizza says the business manager does it.
- Councilwoman Lettieri-Morales asks who the business manager is. Mr. Rizza says Jim Farrell. Councilwoman Lettieri-Morales says then Mr. Farrell knew full and well that he was writing checks that he could not cash.
- Mr. Rizza says he is writing checks to cover bills that they received goods on.
- Councilwoman Lettieri-Morales says she agrees the bills need to be paid but he was using money he wasn't supposed to use to pay those bills and he knew he wasn't supposed to do it. There has to be some accountability.
- Mr. Rizza says he understands what she is saying but with no offence to the Council, but they aren't the forum with the ability to fire him.
- Councilwoman Lettieri-Morales says she isn't saying fire him but is there any legal recourse for that? He is writing checks that he shouldn't be writing; he could have made a phone call and contacted someone.

- Chairman Parlato says he thinks it is premature to discuss taking any action against any individual. Right now this meeting is for an update on what is being done because it may be the individuals or it may be the system or maybe they are overwhelmed, they don't know yet. But rather than say this person or one group is doing something wrong he thinks it is better if they go on Paul's recommendation and wait for the auditor's report because that will more than likely give some recommendations. He doesn't know that the Council has the power to tell them what to do but as taxpayers and elected officials they can highly recommend that they straighten out whatever they are doing.
- Councilwoman Lettieri-Morales says she doesn't think it is the Board of Ed. members, they aren't writing the checks.
- Chairman Parlato says they are an elected body, when you discuss actions of the Board it is not just one of them it is all of them.
- Councilwoman Lettieri-Morales says last year during the budget season when the Mayor came back with the recommendation for a \$250,000 increase, the majority of them asked if they could live with that increase and Mr. Rizza's answer was yes. Now, were they underfunded versus them overspending? There have been Board of Ed. members that have come out and written letters saying they are not going to make it; she doesn't think its Board of Ed. she thinks it is Mr. Farrell that did something he should not have done. In the report is says the funds from 2016-2017 were used to pay 2015-2016. Doesn't it have to come back to the Council now to give them the money?
- Attorney Zullo says to clarify one thing, he doesn't want this to evolve into a review of a personnel issue because that person under the collective bargaining unit has a right to be here and a right to be notified before being spoken of. He understands it is natural in the conversation to mention names but to the extent that it goes any further in terms of critique and recommendation of action he asks that it be held off from being done here, in their capacity they have the ability to email members of the Board of Education to recommend that action.
- Councilman Santino says they did request at the last meeting that they both be there tonight.
- Mr. Rizza says to be honest, until there is a report in front of them what would be said to them.
- Councilman Santino says he would ask the second part of the question, where did they get the money to pay for it? The money that was spent, where did they get the \$900,000.
- Councilwoman Linda Hennessey says being newly elected in 2015, she sat and listened and took notes so that when it came time for budget season she had notes and learned how transfers work. She asks if it is being said that at this point they are just finding out now that they overspent \$900,000 for the Board of

Education. Who authorized that spending? Who gave them the money? And if it is being taken out of 2016-2017, why wasn't the Council notified when the funds were being transferred?

- Mr. Rizza asks who would have notified them, he did not know that either.
- Councilwoman Hennessey says how could he not know? There is discussion in his letter about software not being 100% correct; many people pay their bills online but they still have a checkbook. If they have to go back to pen and paper then that is what has to be done to not lose track of \$900,000. Her biggest concern right now is who is authorizing or coming to the Council for the funds being spent in 2016-2017.
- Mr. Rizza says the question that was asked a month ago was where they got the money and his answer was the 2016-2017 year. They used the new year/current year's money to pay old years bills.
- Councilwoman Hennessey says and her question is how that is authorized.
- Mr. Rizza says it is authorized in the Board of Education business office. There is a Business Manager there who initiates a purchase order and signs off, it goes to the Superintendent and is signed off on and then a warrant list comes out with all of the paid bills and goes to the Board of Education itself who vote on it. That is the process there for authorization. They used to do transfers every 6 months and now they are doing it every month because if they did it every 6 months things get out of hand.
- Councilwoman Hennessey says she understands the process but if they are using funds from 2016-2017 they are missing \$900,000 from it, how will they make up for it at the end of 2017.
- Mr. Rizza says that is a good question that he doesn't have the answer to. He is likely going to talk to a number of outside accountants and the rating agency because the two steps we went up, we could go two steps back to where we were without doing it the right way.
- Councilwoman Judy Esposito says she hopes it was just an error in keeping track of their accounts; you can't just start naming people when they are not there to defend themselves.
- Mr. Rizza says what happened is that \$900,000 was utilized by the audit firm to offset the over expenditure. They had \$2 million dollars in excess revenue over the expenses in that year and ended up adding \$1.1 million dollars to the fund balance, leaving \$900,000 that didn't make it even though we worked very hard to get a \$2 million dollar addition to the fund balance.
- Councilman William Richardson thanks Paul for the report/explanation. He says it seems to him they have had times with other Departments when they had to move money and they came before the Council and asked for it. Won't the Board

of Education, now or next month or at some point, have to come to the Council for the money to cover this year's budget that they used to pay the old one?

- Mr. Rizza says in trying to think what he would do if he were on the Board of Ed., he would maybe draft a letter to the Council explaining what happened and then sit down and start a dialogue and maybe one to the Mayor also. They know there is a financial review being done but there are a lot of other questions too.
- Councilman Richardson says if they had to come to them for \$918,000 then so be it, but he would like to know that before the new budget is adopted so they have an idea of how much needs to be spent on the Board of Education. He doesn't like the fact that the auditor took it out of the rainy day fund; the Council is the Legislative Body that votes on the budget.
- Mr. Rizza says he was reporting what was spent in the fiscal year; the \$918,000 was spent so he would be underreporting our expenditures if he didn't which is why he did it this way.
- Councilman Richardson says in terms of the new hires they are now going to have paperwork showing where the money is coming from and that is wonderful, but if it is grant money paying for the new hires, in 3-4 years when the grant money goes away what is the process for that? Are those people terminated?
- Mr. Rizza says the simple answer is to lay them off and pay unemployment dollar for dollar. The hard way to do it is if you are cognoscente you usually get about a year's time or six months to prepare and say that there is no more funding left for them so the program will not be run anymore. They would have to notify people, and unfortunately laying them off is the reality of it. He remembers in the past on the Town side they received money for police officers where in the first year the salaries were paid then it went down to 75%, 50%, 25% and then the Town pays 100%. They no longer do that program.
- Vice Chairman Robert Sand says the report he provided tonight will probably give them some of the answers they may have once they have a chance to review and digest it. He indicated there is a procedure where the Board of Ed. requests monies; they requested \$1.2 million, there was \$900,000 in the account so they sent them \$900,000 making them short. The fact that they asked for the initial monies and didn't get it, what happens at that point, what is it that he does as the Finance Director?
- Mr. Rizza says they have a separation of duties in his office, he doesn't handle the requests his assistant Jim Keeley gets them. Jim told him that they asked for \$1.2 million and only had \$906,000 available so he sent them the \$906,000 and then he also sent a copy back explaining that is all they are getting because that is all that is left in the appropriation.

- Vice Chairman Sand says they obviously were short in funding and requested it for a reason, they didn't get the monies they needed so what does the Board of Ed. do now when they don't have enough to pay out.
- Mr. Rizza says he thinks the real answer is that they weren't keeping track of what they had drawn down in funds. Every time you get a draw, it should be written down with a total kept.
- Vice Chairman Sand asks if they are doing that now and doing things differently and making the corrections.
- Mr. Rizza says the sheets he is referencing are kept by Jim Keeley in Town Hall and at times he will send a sheet to them to show what they drew down so they can reconcile their numbers if there were any errors in what was written down.
- Vice Chairman Sand says he is looking to know that they are doing it properly now because we are $\frac{3}{4}$ of the way through the year and if we repeat last year's mistake we are in for a rude awakening come June 30th.
- Mr. Rizza says some of the things that they started doing already will help. The auditor is going to make recommendations not only based on expenditures but also procedural changes. He is familiar with the Town side and the Board so he can come up with recommendations on what to do differently.
- Councilman Parente says it was said that they had a \$2 million dollar surplus on the Town side and that was reduced to pay off the \$900,000. If that was paid off, why is it being brought up again? It's gone. That was taken out of the surplus, correct? It was already paid for once why it is coming up again; we made them whole with that \$900,000.
- Mr. Rizza says they never gave them anything over the \$47,160,000 out of old year money because there was no old year money to give. They took it out of the surplus on paper, the cash didn't actually move because it wasn't there. Technically, the problem now is that if you use new-year money when you get to the end of the new-year, you may end up \$900,000 short.
- Councilman Parente says he spent 14 years on the Board of Education and every week at the meetings they had the bills and would go through them line by line and the Board is the final say and decide whether to pay or not pay and they have taken bills out and challenged them or asked for explanation. They had a sheet where they knew where they stood on their line items throughout the year. Now these people had no idea that line items were being zeroed out?
- Mr. Rizza says the sheets they look at now may have 60-70 entries one by one. It will now help them when they are getting monthly expenditure reports to know where they stand.
- Councilman Parente says so the problem is the system they use, not one individual person.

- Mr. Rizza says the systems they are both using are 25 years old, if he can he would like to use the money they have for new systems because both the Town and the Board of Education have had problems with the systems being down.
- Councilman Parente asks if he thinks it is a personnel problem or system problem. Mr. Rizza says maybe a little bit of both.
- Councilman Palladino says he doesn't want Paul to take what he is saying as any disrespect towards him, he has a lot of respect for him however the first statement says that there is not evidence to believe that the over expenditure was a result of fraud or any criminal act. He doesn't feel he has any authority to say that because he is part of this. He thinks they need to have someone who is not part of this tell them that. He may be 100% correct but he thinks someone else should say it.
- Mr. Rizza says that was his opinion in there, but they are going to get a report that will basically say that. The outside person not related to any of them will tell them what he said. He says this isn't a report written by the auditor, he is trying to respond to what they asked him and he spent a lot of time on this and provided facts. He is still working with the audit firm.
- Councilman Palladino says he doesn't understand how a Board can overspend the money they are issued; there is no way they are supposed to do that. He spent two years on the Board, other people spent time on the Board and it just didn't happen. They knew they had money and that is what they spent, they may not have spent a penny less sometimes but they did not spend a penny more. This time they spent almost \$1 million dollars more which leads him to believe whatever they set their budget for this year, whatever the Mayor recommends and then whatever number they hash out and come up with means nothing; they might as well tell them to spend what they are going to spend. Because obviously we went into the rainy day fund to bail them out for overspending and he doesn't remember anyone coming to this Council asking for a transfer from the rainy day fund to cover this. He knows the Board can transfer money between their accounts without their approval, but this was outside of their accounts. This is that they needed \$900,000 more, that should have come before the Council and he thinks it is a charter violation that they didn't go to them and they didn't authorize that money to come out of the rainy day fund. By charter that is what the Town Council is there for, that is their responsibility. He feels a more extensive type of audit has to be done to find out how this money was spent, what did they buy and what did they do that they weren't supposed to because it wasn't funded properly. Maybe they need to look into having a forensic audit done to find out what happened.
- Mr. Rizza says he respects his opinion but what he can say is that they overspent their appropriation but the Town did not give them the \$900,000 more

than their appropriation because there was no authorization by this Council to increase their appropriation.

- Councilman Palladino asks how the bills got paid then. They took it out of the surplus.
- Mr. Rizza says no.
- Councilman Palladino says so then they are taking it out of this budget, but again they didn't come to them asking to use this year's money to pay last year.
- Mr. Rizza said he never said that they came to them; he is just answering the questions that they had. He says a month ago you wanted something and now he wants a forensic audit. He can tell them that the money went to Board of Education expenses; it wasn't stolen.
- Councilman Palladino asks how they know that and how they know what that money was spent on. Maybe it was spent on a vacation some place. As a taxpayer and Councilman, his constituents want to know how the Board of Education spent more money than they allocated to them. Someone has to be held accountable.
- Mr. Rizza says there is no appearance of anything being stolen, he isn't saying someone shouldn't be held accountable, but you are asking for the answer to a question without having a report yet. If you want to know exactly what was bought, he will get a print out showing what companies they bought from, how much, when the check was cut from the salaries, to the bus companies to everything they do and it will tell you what you want to know. He thinks everyone would know if someone went on a vacation on the Board of Education's dime.
- Councilman Palladino says so why do they bother to give them a budget if they are just going to spend what they are going to spend anyway.
- Mr. Rizza says they can't control what they spend it on; they just give them the bottom line.
- Councilman Palladino says if they give them the bottom line and they overspend the bottom line then what is the point of giving them one anyway, why don't we just say spend whatever you want and we will pay the bill.
- Chairman Parlato says he thinks some of the questions he is asking are very legitimate but they would be better answered when they have a full report. As far as anything being misappropriated he doesn't think you can steal anymore these days because everything is done electronically but only in his personal opinion he doesn't think anyone stole anything. There is a problem that needs to be addressed but they can't finish everything tonight without the answers. Once they get a full report from an independent auditor they can then ask all the questions they have.

- Councilman Gary DePalma says there needs to be safeguards put in place with consequences so that this doesn't happen again. If it happens again then someone needs to be held accountable because we can't spend \$1 million dollars over in a Town where people live check to check and then tell our constituents that the mill rate is going up because the Board of Education overspent. Constraints need to be put in place to ensure this won't happen again.
- Councilman Santino asks how long of a period of time was it that this money disappeared. How long of a time period was it that they were writing these checks, they didn't just write one check for \$900,000
- Mr. Rizza says he can't answer exactly because it could have been over the entire fiscal year.
- Councilman Santino says there is Board of Ed. Members here; do they get a monthly statement of what is done and what they have in the accounts?
- Board of Education members within the audience say they do not receive monthly statements; they have requested them and don't receive anything.
- Mr. Rizza says he didn't get reports but he does get the reports now.
- Councilman Santino makes a suggestion that the Board of Ed. requests them and gets them. They are in the dark and someone is writing checks that they don't have the money to pay.
- Chairman Parlato says more than likely there will be a number of recommendations made by the auditor and then they can sit down with Paul and the Board of Education to have a conversation as to where we think they are lacking and where they think we are lacking in our authority.
- Councilman Santino says to the Board of Education members, do they do background checks when they hire? What is the hiring practice?
- Board members indicate yes, HR does background checks.
- Councilman McKay says he has been on the Council almost as long as Fred and they have gone through a lot of budgets and a few administrations also and he can remember when one administration ran out of money on the Town side and went into the fund balance and never saying anything and all of a sudden it was depleted and he questioned where it went and was told when you run out of money in your checking you take it out of your savings. It looks like we didn't give the Board of Education enough money to run their budget for that year. They always ask for millions more than we allow them and we cut it down all the time; he can remember them saying they are not going to make it.
- Chairman Parlato says to counter that, he knows in some years they were flat lined, didn't get a dime and they didn't run deficits.
- Councilman Palladino says in the two years he was there, they even underspent by \$100,000 in the second year, so yes it can be done.

- Councilman McKay says their benefits went up a lot, they have to wait to get the auditors report before they can beat this down. A lot of the questions will be answered. The biggest thing is that we are not in charge of the Board of Education, we give the money and they spend it. It starts with the State, they would have to change the legislation up there and then they can have control though he doesn't think they want control of it because they have enough to deal with on the Town side. There needs to be checks and balances and monthly statements but we don't get them or ask for them on the Town side either, all we get is for the Library. We don't know how much Public Works is spending or the Police Department, etc. We have done transfers for them when they came to us but the Board doesn't have to come to them because they are a separate entity.
- Chairman Parlato says every Council member should be aware of the fact that two schools were closed, Hays and DC Moore. Looking at all of the line items that were zeroed out for those two schools was \$1,106,000 because they didn't have to heat, cool, light the buildings or pay for the students and staff. We didn't lay off a janitor, maintenance man or teacher, we absorbed them some place. Closing two schools, down 40 or more students this year, enrollment is progressively dropping but expenses keep going up. There is a disconnecting between reality and education. If we could brag and say we are spending more money every year and our students are up at the top then everyone in this room would be defending the Board of Education but it's not working, we are going in the opposite direction. He doesn't like spending money where it is wasted and he thinks that is what it happening. He says they need answers and need to know what direction they are going to be going in rather than going through this with Mr. Rizza who doesn't have all the answers or know what all the questions are. He thanks him for enlightening them and thinks they will have a much better idea at the next meeting once the audit is completed.
- Councilwoman Lettieri-Morales says now that is has been explained that the business manager then the superintendent then the Board of Education gets them, her question is when the Board gets this stack of bills and what needs to be paid do they know or not know what is in the account? Are they aware?
- Mr. Rizza says they get a warrant list, which is a listing by vendor, address, account number and it also gives a dollar amount available and the dollar amount available; they get that on their IPads.
- Boards of Ed. Members indicate they do not know the bank balance. It is never on the print out.
- Councilwoman Lettieri-Morales asks the Board of Ed. members if they have to pay the bills and don't know the bank balance, how are they writing out checks? Why hasn't the Board of Ed. members looked at the bills and held someone

accountable and ask the business manager to show what is in the account before they approve the checks.

- Councilman Parente says at the last Board meeting for Item #2 they approved bills in the amount of \$1,636,289.31 and they have the option of looking through every bill.
- Councilwoman Lettieri-Morales says but do they know what the balance is in the account.
- Councilman Richardson says the problem is when you have a purchase order; you have to know then if you have it. Once you get the bill, it is too late.
- Mr. Rizza says they don't have a bank balance because we don't transfer the money to them until the Board approves that batch such as the amount that was mentioned and then the next day they show the approval amount and then they move that money over to the Board.
- Councilwoman Lettieri-Morales says that is not a good system; they should know what is in the account before they write the checks.
- Mr. Rizza says they haven't drawn all their money yet.
- Councilwoman Lettieri-Morales says how would they know that though, they should know that ahead of time.
- Mr. Rizza says the Board would have to assume that someone wouldn't give them a batch of bills with no cash at all.
- Councilwoman Lettieri-Morales says that is what she is trying to figure out, where the problem is, is it the person on the top or is it the Board of Ed? The person on the top should not be giving them bills without a balance.
- Board of Education member explains that they have budget items encumbered in the beginning of the year, their budget is always bare bones and they say this amount is for this and so on and that money is encumbered so it is frozen for that purpose. A good example is transportation for education, because it sky rocketed, it came in at much more than they encumbered. This year they saved money by not using their copy paper so they took out what was encumbered for copy machine paper and move it to what they didn't have enough encumbered for.
- Councilwoman Archambault asks when the Board of Education was notified that \$900,000 was being transferred from this year to cover last year.
- Board of Education members say they were not notified.
- Chairman Parlato says hopefully when the audit is completed and they have a chance to digest it they can ask any other questions they have but they are making progress.

Item #17

Adjournment of Regular Meeting.

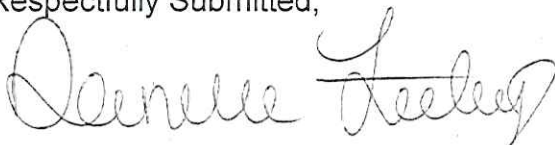
Councilman makes a motion.

Councilman seconds the motion.

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

Meeting is adjourned at

Respectfully Submitted,

A handwritten signature in cursive script, reading "Danelle Feeley". The signature is written in dark ink and is positioned above the printed name.

Danelle Feeley, Clerk, East Haven Legislative Town Council