

**EAST HAVEN TOWN COUNCIL
SPECIAL MEETING MINUTES
TUESDAY, MARCH 28, 2017**

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Stacy Quinn, CTC
TOWN CLERK

The East Haven Town Council held a special meeting Tuesday, March 28, 2017 at 7:00 PM at the East Haven High School Auditorium, 35 Wheelbarrow Lane, East Haven, CT 06513.

Chairman Fred Parlato called the meeting to order at 7:00 PM and asked all in attendance to stand for the Pledge of Allegiance.

Item #1: Roll Call

10 present – 5 absent (DePalma, Palladino, Richardson, Spaduzzi, Butler, III.). A quorum was present.

Item #2: State of the Town Address presented by the Honorable Mayor Joseph Maturo, Jr.
(Full State of the Town Address presentation attached)

Item #3: Fiscal Year 2017-2018 Budget Address presented by the Honorable Mayor Joseph Maturo, Jr.
(Full Fiscal Year 2017-2018 Budget Address presentation attached)

Item #4: To consider and act upon a Resolution setting a public hearing date and time to discuss "An Ordinance Approving and Authorizing the Conveyance of a Portion of 240 Commerce Street to 198 Commerce Street Associates LLC". The Public Hearing shall take place on April 4, 2017 at 7:00 PM at the East Haven Senior Center, 91 Taylor Avenue, East Haven, CT 06512.

Chairman Parlato asks for a motion to approve Resolution setting the Public Hearing date. Councilman Joseph Santino, Jr. made a motion; Councilman Robert Parente seconded the motion.

Chairman Parlato asked if any public comment concerning the Public Hearing date, there was no public comment.

Chairman Parlato asked if any Town Council comment concerning the Public Hearing date, there was no Town Council comment. Chairman Parlato explained the ordinance concerned the conveyance of property for the purpose of 198 Commerce Street Associates LLC to build a new facility.

Roll call vote: all in favor, none opposed, one abstention (Hennessey), and motion carried.

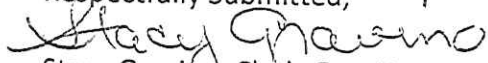
Item #5: Adjournment of Special Meeting.

Chairman Parlato asked for a motion to adjourn of special meeting. Councilman Joseph Santino, Jr. made a motion to adjourn special meeting, Councilman Richard Anania seconded the motion.

Voice vote: all in favor, none opposed, no abstentions, motion carried.

Meeting is adjourned at 8:30 PM.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Stacy Gravano".

Stacy Gravano, Clerk, East Haven Legislative Town Council

2017 STATE OF THE TOWN ADDRESS

Good evening ladies and gentlemen, honorable members of the Legislative Town Council, residents of our great community, and guests. Welcome to East Haven High School.

By Charter, I am required to address the Town Council each year to speak about the state of our Town and to present my budget recommendations for the upcoming fiscal year. I stand before you tonight for the sixteenth time my career as Mayor, humbled by the opportunities my team and I have been afforded to continue to serve this great community and proudful of the fiscal, social, and economic strides we've all taken together.

These last six years, and especially over the past year, we have not only made historic fiscal strides, we have witnessed a cultural renaissance that began in our Police Department and has since reverberated throughout the Town and which has restored hope, optimism, and pride to East Haven.

Tonight, I stand before you:

1. More excited than ever - about the prospect of continuing to lead this great community;
2. More proud than ever - about the prosperity and good will we've all worked so hard to foster;
3. And more confident than ever - that the state of our Town is stronger that it has ever been.

POLICE DEPARTMENT/DOJ/DIVERSITY

On June 23, 2016, following Brent Larrabee's decision not to seek renewal of his contract as Chief of Police in East Haven, I stood on the stage at Joseph Melillo Middle School to swear in East Haven's newest top cop - Chief Ed Lennon. For Lennon and I, it marked the sixth time in our careers that I had the privilege of promoting him. However, for our community, it symbolized so much more.

From the outset, Chief Lennon's qualifications for the job spoke for themselves. As one of the key players in the Department's DOJ compliance efforts, Chief Lennon had quickly earned a reputation as one of the most talented, progressive, and knowledgeable police professionals in the country. In my time working with him, he had demonstrated a practical understanding of the policing challenges that are unique to East Haven and the ability to develop common sense solutions to those challenges.

However, for a community and Police Department that, just four years earlier, had found themselves mired in controversy over a cultural divide they were struggling to understand, Chief Lennon's ascension to the role of Police Chief was a powerful statement about the department's growth, progress, and readiness to lead itself following nearly four years of supervision by the DOJ. Furthermore, the Police Commission's agreement with my recommendation to promote former "Professional Standards Officer" James Naccarato to "Deputy Chief" to work alongside Chief Lennon served to demonstrate the Department's ongoing commitment to ensuring that it would remain focused on preserving the public trust it has worked so hard to gain over the course of its remarkable transformation.

Just six months later, on December 21, 2016, I addressed our police family at 4:00PM roll call to commemorate the four-year anniversary of the federal court's approval of the Town's "Agreement for Effective and Constitutional Policing" with the DOJ and to congratulate the Department on its sustained reform efforts and remarkable turnaround. Echoing the praises of the former-Attorney General who, just fifteen months earlier, cited the Department as a "model" for the nation, I congratulated our officers for being the only jurisdiction in the country to satisfy the requirements of a federal consent decree on-time and under budget. In speaking to our officers, I emphasized our department's role on the forefront of the policing industry and our contributions to defining what other departments now consider to be industry "best practices." Most importantly, I seized the opportunity to thank our patrol officers who have earned the residents' trust with each respectful patrol stop, each pleasant encounter, and on each perilous occasion they've put their lives on the line to protect this community.

As I stand here tonight, I am as proud as ever of the hope, optimism, and professionalism that defines our Department and that I know will continue to define our Department for years to come.

200 TYLER STREET

This past year, we dedicated significant efforts to bringing hope back to another one of East Haven's greatest treasures - the old High School at 200 Tyler Street. And tonight, I have an exciting and historic announcement about the fate of that building.

Last September, after months of presentations by Town staff, the Town Council passed a resolution authorizing the Town to sign a development agreement with WinnDevelopment to perform an "historically-adaptive renovation" of the building that would result in the construction of seventy-two (72) units of age-restricted housing in the front of the school and allow the Town to retain the rear of the building, including the gymnasium and pool facilities, for use by the community. WinnDevelopment reports that it was recently successful in securing Department of Housing "FlexFunds" which represent a vital piece of the funding the company needs to move forward with the project. A favorable decision by the Connecticut Housing Finance Authority on the company's tax credit grant application, **which is possible any day now**, would pave the way for the sale of the property by October of this year.

And while news of WinnDevelopment's commitment to renovating the front portion of the property certainly gives us all cause to celebrate, I am excited to share with you all tonight an historic announcement about the fate of the rear portion of the property.

Throughout the exploratory stages of this development project, residents at public hearings expressed a strong desire to retain all or a portion of the building for a variety of community uses. Having listened to the input from residents, we recently engaged "Landmark Architects, P.C." of Middletown Connecticut, which has developed plans for a **multi-million dollar renovation of the rear portion of the property** which we intend to pursue should C.H.F.A make a favorable decision on WinnDevelopment's pending

competitive tax credit application. The historic and expansive renovation plans call for:

1. The complete rehabilitation of the gym, pool, and Biddy Basketball facilities, including new relocated locker rooms, cooking facilities, and meeting rooms;
2. The construction of a Town Council Chambers which would be available for use by all Town boards and commissions;
3. The restoration and construction of a 300 seat theater for use by our local arts groups;
4. The retrofitting of tens-of-thousands of square feet of "flex space," which could become the future permanent homes of the Town's Teen Center, Historical Society, Chamber of Commerce, and other Town groups.

The Town is currently awaiting cost estimates for the project, which would be financed partially with the proceeds from the sale of the property and partially with long-term, low interest bonds.

The will of the people has been clear throughout this process and our goal, in conjunction with WinnDevelopment's plan for the front of the property, is to make the 200 Tyler Street building a flagship mixed-use facility that future generations of East Haven residents will be proud to visit and use.

TOWNWIDE IMPROVEMENTS

While so much of our efforts this past year were concentrated toward putting 200 Tyler Street back into productive use, we've also made

significant progress moving forward with a number of other town wide infrastructure and capital projects.

This past week, the East Haven Courier featured a front page article about the Town's renewed plans for Downtown Revitalization, which call for \$2.7 million dollars in streetscape and lighting improvements from Elm Street to the New Haven line. The project was unexpectedly stalled in 2011 due to the State's ongoing budget woes. However, thanks to the work of our Economic Development Director Sal Brancati, we've once again re-secured the funding to re-start this exciting project .

In addition to the \$2.7 million in funding to revitalize the West End of Main Street, the Town also has executed an agreement with the State of Connecticut which will provide the Town with \$1.6 million dollars in funding to help alleviate flooding at the intersection of Coe and Hemingway Avenues by raising the intersection and surrounding roadways by two feet. During Superstorm Sandy, due to the flooding at that intersection, emergency personnel resorted to responding to calls in payloaders. With these improvements, flooding will not be completely eliminated in that low-lying area. However, the improvements which will be made are slated to make the intersection passable for most vehicles even during a "100-year" storm event.

Presently, the Town is also slated to begin the construction of sidewalks along North High Street as part of a three-phase, grant-funded project that will connect Route 80 with the center of Town. Phase one of the sidewalk project will provide easy access for local children to the soon-to-be-

constructed Skate Park, at Joseph Melillo Middle School, which was made possible through a \$200,000 dollar State "LOCIP" grant.

Finally, the Town recently retained a team of environmental consultants to coordinate the competitive bidding process for the construction of a Solar Park on the site of the Town's encapsulated landfill. The Solar Farm, which will generate hundreds of thousands of dollars in personal property tax revenue and generate additional savings on the Town's monthly electric bill, will also put otherwise unusable property to an eco-friendly, productive use.

ECONOMIC DEVELOPMENT

Over the past year, East Haven has demonstrated a sustained commitment to sound fiscal policies and infrastructure investment. As a result, our community has seen a number of new businesses open up to supplement the tremendous businesses we already have here in East Haven.

Earlier this year, Rockin' Jump, which conducted a job fair to hire tens of part-time and full-time positions, opened next to Shoprite on Route 80, marking the opening of another great business on our Route 80 corridor.

On Frontage Road, the owner of the Home Depot plaza has begun repairing and renovating the façade to the multi-unit portion of the complex, which is soon to become the new home to a 24/7 veterinary hospital operated by Matt Lender of Orange Veterinary Associates. Directly across the street, another valuable big-box retailer - "Big Lots" - is slated to move in to the space formerly occupied by "Xpect Discounts."

This past year, the Town scored a serious "coup" when it recruited "Augliera Moving and Storage" from its home in West Haven (where it had been anchored for over 100 years) to our Industrial Park, which at present is completely full. A significant factor in the company's decision to move was the nearly 25% yearly tax savings based solely on the mill rate difference between the two communities. As part of the company's move from West Haven to East Haven, it brought its entire operation to its new headquarters and has begun construction of a sprawling addition to its existing facility to expand its storage capabilities.

Finally, the Town recently reached a deal in principal to sell otherwise unusable land behind the Industrial Park to Town Fair Tire to help the company construct a 20,000 square foot addition to its present facility and to allow it to relocate hundreds of trailers to its East Haven headquarters. The deal will ensure that this valuable taxpayer and corporate citizen remains anchored in East Haven for years to come.

EDUCATION

While business continues to flourish here in East Haven, our students, faculty, and staff up at the Board of Education also continue to make headlines.

Most recently, the State Department of Education announced the winners of the "Schools of Excellence" grant, which provides funding to help high - performing schools share success stories for boosting student achievement. As part of the program fifteen schools, including the East Haven Academy and Dominick H. Ferrara School, were each awarded

grants of approximately \$25,000 dollars in recognition of their high levels of academic performance.

This past year, the East Haven educational community welcomed a new face to a long-standing program I was proud to restore when I returned to office in 2011 - "Officer Sue" took over as the EHPD's Dare Officer. Earlier today, Officer Sue graduated her first fifth grade class over at Momauguin School and students at Tuttle School are slated to graduate Thursday. The program, which now features extended teaching units on bullying and confidence building, is geared toward education young children about the dangers of drugs and alcohol.

Moving on... Our Town employees and department heads are tremendous resources for our residents and they work tirelessly year after year to offer exceptional services to our residents. As always, I want to touch briefly on a few highlights and accomplishments from each department over the past year.

WORK OF DEPARTMENT HEADS/CURRENT PEOPLE

Town Clerk – Stacy Gravino

Stacy Gravino, our Town Clerk, reports that her office recently implemented a software upgrade to its indexing system to improvement customer service and office productivity. Stacy also indicates that her office completed a massive "land record" scanning project which involved the indexing and

scanning of all land records dating back to January 1, 1977. As a result of that project, the index and all images are available not only in the office on the public search terminals, but also online through a third party host. Finally, Stacy also reports that her office has deployed new software which allows residents to electronically search for trade name certificates (back to 1977) and military discharge documents (back to 1945).

Assessor – Michael Milici

Michael Milici, who had a busy year completing the State-mandated town wide revaluation, heads up our Assessor's Office. This revaluation, which was a "statistical" revaluation, is effective for the October 1, 2016 Grand List, and was completed ahead of schedule.

Mike also notes that his office has continued its ongoing project of correcting all wrongfully numbered addresses on homes in town. This project is being completed in conjunction with the Building Department under the Town Ordinance requiring all homes to have a proper address. Proper addressing may seem trivial – but especially for our emergency responders, it can save precious seconds, which in turn, can save lives.

Senior Center – Jan Jougal

Jan Lougal is our Senior Center Director and she reports that our Senior Center continues to service between 100 and 125 clients and that it provided over 2000 rides to local stores and appointments this past year. Jan reports that the center continues to provide daily lunch, even though lunch on Fridays was nearly suspended due to the discontinuation of the federal FSW Food Service Program. On Fridays, the town has picked up

serving lunch, which is now made either on-site or ordered from local establishments.

Jan indicates that over the past year, the Senior Center has offered countless medical seminars, informational workshops including the “55 Alive” safe driving classes, and fun programming including Bingo, aerobics, line dancing, and a newly added program called "Tai Chi Quan."

Finally, Jan reports that the center now employs a full-time custodian, whose efforts have helped keep the Senior Center a bright and pleasant environment for all who utilize it.

Social Services/Youth Services– Bob Petrucelli

Bob Petrucelli heads both our “Social Services” and “Youth Services” departments and helps residents of all ages on a daily basis to connect them with local and regional resources.

Bob notes that this past year, his office processed 540 applications through the "Connecticut Renters Rebate" program, which provides an annual rebate check to East Haven renters who are 65 years of age or older or fully disabled. As a result of those applications, Bob helped residents secure over \$265,000 in rental savings last year. In addition, he reports that his office processed 545 applications through the CT Energy Assistance Program, which provides qualified residents with monetary assistance toward their gas and oil needs. Under that program, he helped income-eligible residents save over \$410,000 dollars.

In his work with the Youth Services Department, Bob partnered up this past year with the East Haven Police Department to divert fifteen (15) East Haven youthful offenders from the Juvenile Court system through the Juvenile Review Board program. He also coordinated the participation of twenty-five (25) students in the "Annual Leadership Program," which is designed to motivate and inspire teens to be great role models and leaders.

Tax Collector – Lucille Huelin

This past year, after 30 years of service, our Tax Collector Lisa Basilicato retired. She has been succeeded by Lucille Huelin, who is in the process of transitioning to an entirely new staff due to the retirements of two other long-time employees in her office. Lucille indicates that tax collections remain strong thanks to aggressive collections and that she is beginning a new program of filing "UCC" liens with the State of Connecticut to crack down on businesses that don't pay their personal property taxes.

Lucille indicates that while residents have been able to use credit cards to pay taxes online for approximately six years, they can now do so in the office as well. As a result, she reports an increase in the use of credit card payments and, overall, stronger collections for the Town.

Animal Control – Owen Little

Owen Little, who works tirelessly down at our Animal Shelter, is our head Animal Control Officer. Owen reports that that during the past year, in conjunction with the Public Works Department, the Animal Shelter was able to raise \$20,000.00 dollars to complete the construction and installation of a beautiful 24-foot by 48-foot pavilion at the shelter. The pavilion features a

concrete base and a decorative rod iron fence around the entire pavilion. With the help of the Engineering Department, the shelter was also able to install completely upgraded parking and drainage facilities at the shelter as well. Since the funding for the upgrades was all obtained through fundraising, these improvements were accomplished at no cost to the taxpayers. Owen indicates that the newly constructed pavilion will be used to train dogs impounded at the Shelter and to allow potential adopters a safe place to meet the Shelter's canine guests.

Finally, Owen reports that over the past seven (7) years, the Shelter has raised over \$240,000 dollars, which has helped the Shelter cover the costs of medical treatment for neglected animals and paid for the conversion of the carriage area into a shelter for cats and an isolation area for sick or injured animals.

Owen has asked that I remind everyone that the Shelter will be holding an Open House on May 13, 2017 to showcase all of the improvements at the facility.

Planning and Zoning – Chris Soto

Chris Soto is our Zoning Enforcement Officer and he has been incredibly busy since his move from New Haven to our zoning office two years ago. This year, his department has processed over 245 zoning permit applications and taken in over \$7,350 dollars in fees for everything from small decks and additions to full fit-outs of commercial spaces. Over that same span, his office has processed 22 applications for initial or modified site plans generating over \$11,755 dollars in additional revenue.

Chris indicates that, in conjunction with Sal Brancati (of the Mayor's Office), his office is working to update the Town's "Plan of Conservation and Development," which, pursuant to statute, will serve as the economic development blueprint for the Town for the next ten years.

Finally, in conjunction with the Mayor's "Code Enforcement Committee," Chris reports that his office has worked diligently to crack down on blighted properties. This past winter, Chris reports that his office issued over fifty (50) warnings for un-shoveled sidewalks, with only seven (7) requiring tickets to be issued.

Building Department – Jim Bassett

Jim Bassett, who works closely with our zoning department, heads our Building Department. Jim indicates that during 2016, the Building Department continued to issue permits to elevate homes damaged in previous storms (Irene and Sandy) and that, despite the widespread damage from these storms, our shoreline is finally substantially recovered.

Jim also notes that in 2016, his department issued 1,147 permits for a variety of work, generating \$301,000 dollars in revenue including 147 permits to install residential solar panels through the "Energize CT Program." In 2016, Jim indicates that he also performed 1,299 inspections.

Public Services/Engineering – Kevin White and Bob Parente

Our public services department, which had an incredibly busy year, is headed by Town Engineer Kevin White and Superintendent of Operations Bob Parente.

This past year, the department supervised the paving of twelve (12) streets (including Grannis Street, Jardin Drive, & Stevens Street - to name a few) on its way to earning one of the highest ratings from the State for maintaining one of the best-conditioned road systems in Connecticut. In-house, the department also finished paving and drainage projects at Hampton and Pequot streets.

Additionally, our "DPW" heads report that their supervisors have saved the Town tens of thousands of dollars by taking work that has been previously subcontracted out and bringing it back in-house including boiler and fire-extinguisher inspections and heating and cooling repairs at Town buildings.

The department also reports the completion of a variety of repair and renovation work at the 911 Dispatch Center, Police Station, Senior Center, Beach House, and Fire Stations 1, 3, and 5.

Counseling and Community Services – Beth Trotta

During 2016, the Counseling and Community Services department, headed by Beth Trotta of BHCare, Inc., continued to offer quality mental and behavioral health counseling services thanks to the expansion of both the management and treatment services by BH Care.

This past year, in conjunction with the Police Department's "Juvenile Review Board, the center participated in developing and running a mandated class on "sexting," harassment, and bullying for our students.

Library - Bruce George

As I've said in the past, one of East Haven's greatest resources and most prized treasures is our Library, which is headed by Bruce George.

Bruce reports that Sarah Mallory, the Library's part-time specialist and Teen Advisory Group Librarian, is in the second year of the "Teen Top Ten Grant" from the "Young Adult Library Services Association" for the Library's Teen Advisory Group. That group is one of only 15 groups from across the country to be awarded this grant. Under this exciting grant, the Teen Advisory Group continues to review teen books prior to their publication release date to provide feedback to publishers.

Bruce reports that the Library continues to offer an expansive array of programming. Most recently, Town Attorney Joe Zullo gave a presentation on local civics. For a listing of upcoming programming and local history presentations, you can visit the Library's website at "www.hagamanlibrary.org."

Recreation Department – Lou Pane

Our Recreation Department, headed by Lou Pane, continues to offer a number of youth and adult programs year after year. This year, the Department will be offering a number of programs, including Beach Yoga,

Beach Zumba, Beach Aerobics, and Beach Volleyball along with several youth activity camps with art, sports, and recreational themes.

The Recreation Department also reports that the Ice Rink is on track to generate a profit to the town for the 5th consecutive year. Countless teams, including those in Town, use our rink and Lou has done a tremendous job of making sure that the rink pays for itself and generates a profit.

Police Department – Chief Ed Lennon

While I highlighted the sustained success our Police Department has enjoyed over the past three years earlier in my speech, I do want to highlight some of their achievements from the past year.

This past April, the Police Department's "Citizens' Police Academy" hosted its second semester and is slated to run a third semester in the Fall of 2017. Through that program, residents get the opportunity to learn first-hand how our department functions.

At the same time, the department accepted another three students into its "Cadet Program," which allows local high school students to earn class credits and get hands-on training on in-house policing operations.

Throughout the past year, the Department also formed a number of regional partnerships to obtain multi-town grants for state-of-the-art technology including a new "crash response truck" and a "scene laser scanner" which completely digitizes the accident reconstruction process.

Chief Lennon also reports that last year, with unused and re-appropriated monies from the DOJ compliance bond, his Department upgraded all of its body cameras and in-car video cameras. Finally, Chief Lennon also reports that his Department also recently deployed a new K9 dog – Ace.

Fire Department – Chief Doug Jackson

The East Haven Fire Department, led by Chief Jackson, responded to a record 6,294 calls for service during 2016 and recently recorded a CPR save at Chili's Restaurant where firefighters provided life-saving support to a choke victim.

For those who are unaware, after 40 years with the Fire Department (33 years as a career firefighter, 7 years as a volunteer with the Riverside Company 6), Chief Jackson will be retiring effective March 31, 2017. I actually spent the entire day today sitting in on interviews with the top candidates to fill that position and intend to make a pick shortly. Chief Jackson has been a tremendous asset to our Town and our Fire Department, and has served as our Emergency Services and FEMA coordinator. Through Hurricane Irene, Superstorm Sandy, and the Winter Storm Nemo, he helped coordinate the Town's immediate emergency response and reimbursement through FEMA. He has been a dedicated public servant. While I have faith that his ultimate replacement will be highly qualified, Chief Jackson will be sorely missed. On behalf of the Town and all of the residents, I'd like to wish him well in his retirement.

IMPORTANT DATES

Before I conclude, I'd like to remind everyone of the dates of some of the great upcoming events scheduled across Town.

The National Day of Prayer is May 4th.

The Pause for the Pledge of Allegiance is June 14th.

The VVA Chapter 484 Fireworks and Beach Party is scheduled for Saturday, June 24th with a rain date of Monday, June 26th. The feature act is going to be "Elements," a Tribute to "Earth, Wind, and Fire."

Senior Day will be held August 19th on the Town Green.

And the 26th Annual East Haven Fall Festival will be held on September 8th, 9th, and 10th on the Town Green and will feature the nationally renowned act "Tommy James and the Shondells."

CONCLUSION

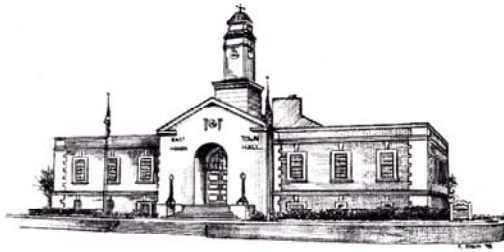
I will speak at length in my upcoming budget presentation about the glowing news in our most recent audit, the string of surplus budgets that have restored our rainy day fund and allowed us to keep taxes stable, the unprecedented success we've enjoyed reducing our long-term debt to an historic low, and the strides we've made putting the fiscal blunders of the past administration squarely in our past. However, as I conclude my sixteenth "State of the Town Address," I think it's critically important that we all recognize that our community's most valuable assets aren't neatly listed and added up on any of the 108 pages of our yearly audit – or any audit for that matter.

If these past six years have taught us anything, it is that our community's vitality, strength, pride, and potential are all the products of our Town's greatest asset – our citizens. We have value as a community because we are a community of valuable people – people who are unafraid to dream big and work hard; people who, especially in the darkest of times, have a penchant for banding together and overcoming adversity.

Through cooperation and compromise, we've not only charted a path of sustained fiscal prosperity, we repaired the once-torn fabric of this great community. Where there was once unmistakable pessimism, there is now genuine pride. Tensions have given way to tolerance and the cultural rifts that once seemed insurmountable have been overcome through mutual respect. For all of these reasons, I am proud to conclude tonight by saying

that our community has never been stronger and our future has never been brighter.

Thank you all, God Bless our Community, and God Bless our great Country.



Town of East Haven Mayor Joseph Maturo, Jr.

2017-2018 Fiscal Year Budget Presentation

Tuesday, March 28, 2016 – East Haven High School

Opening Slide:

First, I'd like to thank the Board of Finance along with all of the department heads who sat with that Board and reviewed my initial recommendations.

I'd also like to thank our Finance Director, Paul Rizza. Mr. Rizza worked incredibly hard on this budget and he deserves to be recognized for that hard work.

one



What was the Town's
financial position at the
close of the 2015-2016
Fiscal Year?

1. With that said, I'd like to present my budget by first re-capping the Town's financial position at the close of the 2015-2016 fiscal year.



East Haven ended the 2015-2016 fiscal year with a surplus of \$1.13 million dollars.

TOTAL EXPENDITURES.....	92,066,517	2,481,540	9,285,864	103,833,921
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,108,861	(2,468,020)	(421,756)	(1,780,915)
OTHER FINANCING SOURCES (USES):				
Capital lease.....		257,647		257,647
Bond premium.....		17,130		17,130
Transfers in.....	25,015			25,015
Transfers out.....			(25,015)	(25,015)
NET OTHER FINANCING SOURCES (USES).....	25,015	274,777	(25,015)	274,777
NET CHANGE IN FUND BALANCES.....	1,133,876	(2,193,243)	(446,771)	(1,506,136)
FUND BALANCES, JULY 1, 2015.....	3,850,838	(1,900,334)	3,105,449	5,055,953
FUND BALANCES, JUNE 30, 2016.....	\$ 4,984,714	\$ (4,093,577)	\$ 2,658,678	\$ 3,549,815

- Page 18, FY 2015-2016 Annual Financial Report

2. As Page 18 of the “Annual Financial Report” shows, the Town ended the 2015-2016 Fiscal Year with a surplus of \$1.13 million dollars.

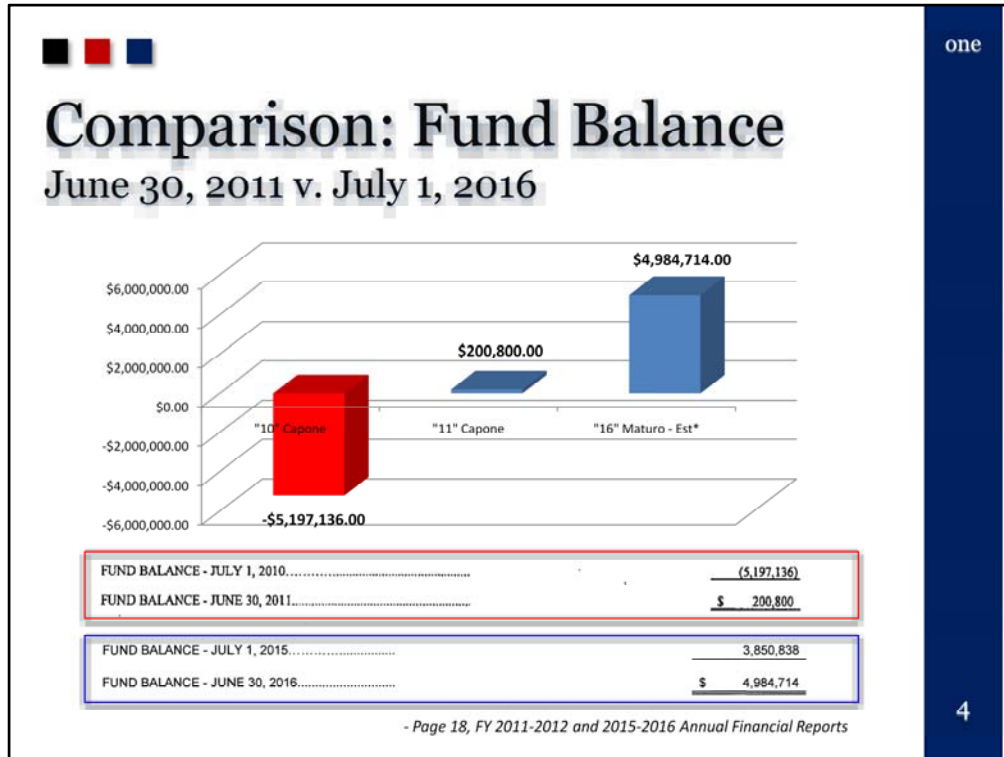


As a result, East Haven's fund balance increased to \$4.98 million dollars.

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NET CHANGE IN FUND BALANCES.....	1,133,876	(2,193,243)	(446,771)	(1,506,138)
FUND BALANCES, JULY 1, 2015.....	3,650,836	(1,900,334)	3,105,449	5,055,953
FUND BALANCES, JUNE 30, 2016.....	\$ 4,984,714	\$ (4,093,577)	\$ 2,658,678	\$ 3,549,815

- Page 18, FY 2015-2016 Annual Financial Report

3. That money was added to the Town's rainy day fund, raising that fund from \$3.85 million dollars to \$4.98 million dollars. This marks an increase of 29% in just one year.

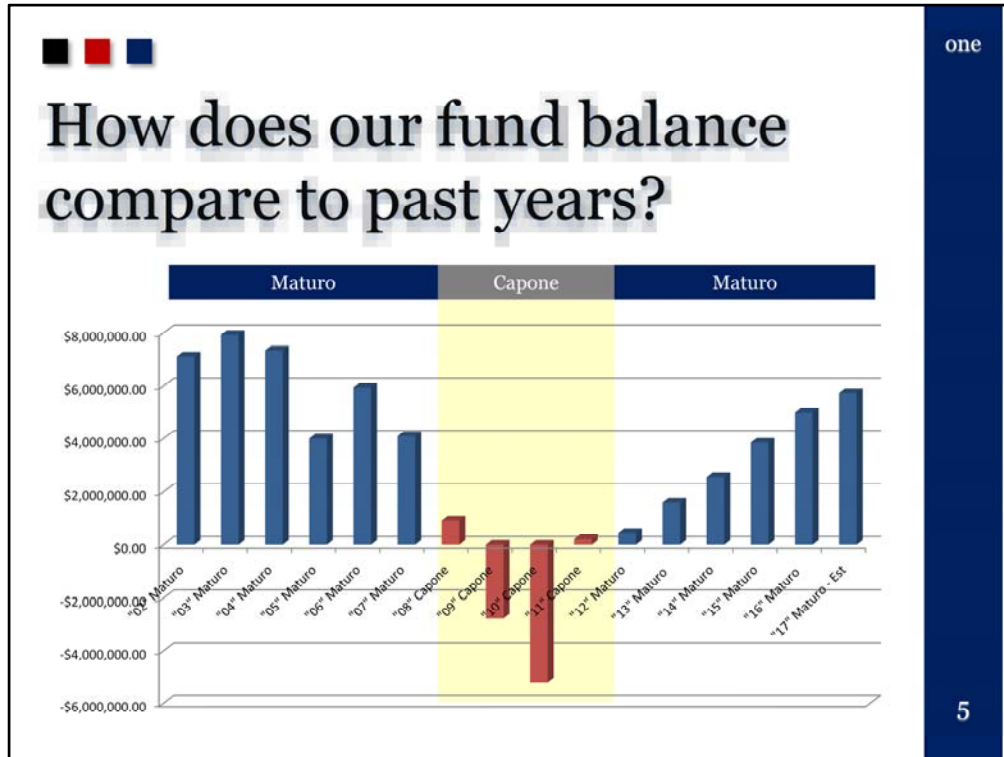


4. You may be asking, “How does this compare with previous years?”

Tonight, I’m going to reference back to 2011 quite a bit – because that marked the year my team and I returned to Town Hall and implemented a series of fiscal controls that brought East Haven off the brink of bankruptcy and back to secure financial footing.

As you can see, at the start of the 2010-2011 fiscal year, the Town’s fund balance had spiraled into a \$5.19 million dollar fund balance deficit. In 2011, even following a massive 17% tax hike by the prior administration, the Town had just over \$200,000 dollars in this critical fund.

However, the recent audit confirms that at the close of the past fiscal year, we now have \$4.98 million dollars in our rainy day – an increase of 2,484% in six years.

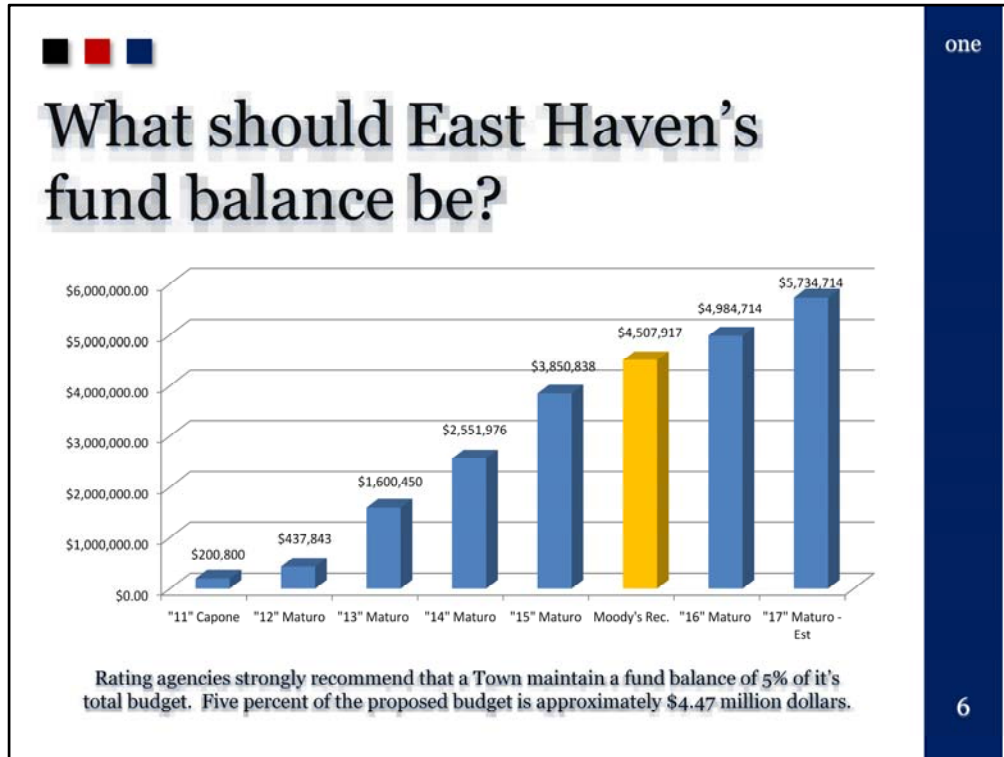


5. In fact, this administration has always demonstrated a strong commitment to keeping a healthy fund balance.

Between 1997 and 2007 during my first 10 years in office, the Town balanced 10 straight budgets and maintained a fund balance of generally no less than \$4 million dollars.

However, between 2007 and 2011, during my team's absence from office, the Town ran three straight deficits which completely exhausted this fund, causing it to spiral into a \$5.1 million dollar deficit.

As you can see, since resuming office in 2011, we have steadily worked to restore the fund balance, which is on track to reach \$5.7 million dollars at the close of the current fiscal year.



6. As I've indicated in the past, credit rating agencies like Moody's and Standards & Poors strongly recommend that the Town have a minimum savings account equal to 5% of its operating budget. Five percent of our proposed budget is about \$4.47 million dollars.

We presently enjoy a fund balance of \$4.98 million dollars, which we project will grow to \$5.73 million dollars in this budget year. As a result, it is with great pride that I say that the current budget and the proposed 2017-2018 budget are the **FIRST IN 10 YEARS** (the first since my 2006-2007 budget) in which we have officially met and exceeded the minimum recommendations of the national credit agencies with respect to our fund balance.



What is the Town's long-term debt position?

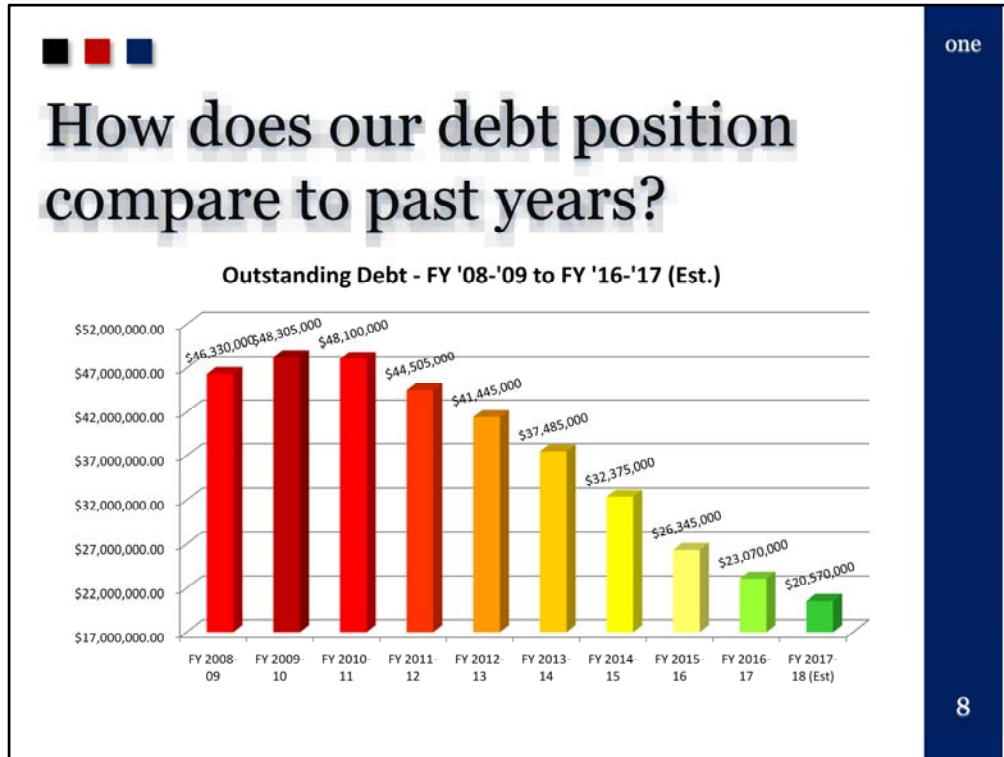
OUTSTANDING LONG-TERM DEBT		
	2016	2015
General purpose bonds	\$ 20,232,412	\$ 22,204,108
School bonds	6,112,588	8,310,892
Sewer	-	360,000
Total	<u>\$ 26,345,000</u>	<u>\$ 30,875,000</u>

Annual Financial Report, 2015-2016, P. 12

In FY '15-'16, the Town paid down \$4.53 million,
or 14.6%, of its long term debt.

7. In addition to the Town's fund balance, debt is another key factor that affects our budget and our taxes. Like you and I, the Town has long term debt.

According to our last audit, the Town began the 2015-2016 fiscal year with \$30.87 million dollars in long term debt. In that fiscal year, the audit shows that we paid off \$4.53 million dollars of that debt, or 14.6% percent, reducing our total long term debt to \$26.34 million dollars.



8. The remarkable progress we've made reducing our long-term debt burden is particularly noticeable, even looking back just six years ago. w

Back in 2011, we had total outstanding debt of \$48.1 million dollars.

Looking ahead, the Town will make principal and interests payments toward that debt totaling \$4.45 million dollars in this budget and \$3.2 million dollars in the proposed 2017-2018 budget.

Based on these payments, the Town's long term debt will be reduced to \$20.5 million dollars - its lowest level in the Town's modern history. This marks an astounding reduction of \$27.5 million dollars (or 57%) since 2011. **(THAT'S JUST SIX YEARS.)**

two



What factors have the
greatest influence on the
Town's budget?

9. Now that I've given you a summary of the progress we've made since 2011 and in the last fiscal year, I want to speak briefly about what factors influence a municipal budget. Put simply, the budget is composed of two parts: expenses and revenues.



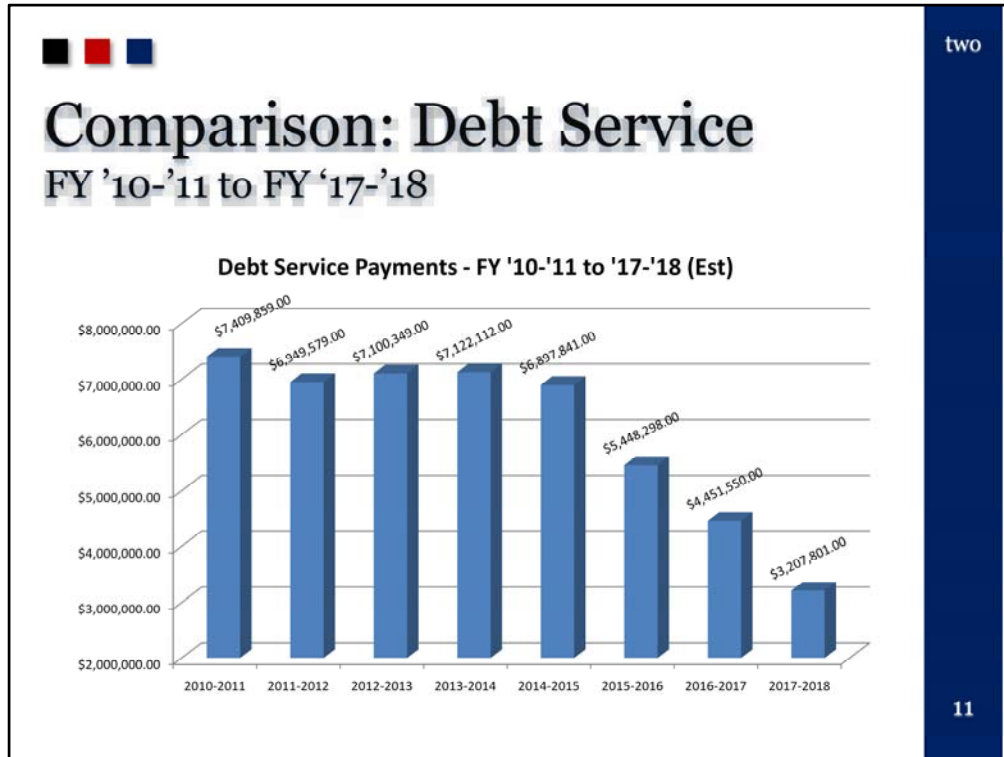
Key factors that affect the Town's budget:

- i. Non-discretionary expenses
(benefits, insurance, legal expenses, and debt service)
- ii. Utilities
(water, sewer, heat, and electricity)
- iii. Public Safety/Services
(education, police, fire, public works)

10. While there are many different types of expenses, several (like employee benefits, insurance, and debt service) are consistent from year to year.

Others, like water, sewer, heat, and electricity payments, are required if we wish to keep our buildings open and operational.

And finally, education, police, fire, and public works services are essential to ensure the continued safety of our Community.



Debt Payments and our Bond Rating

two

EAST HAVEN
Standard and Poor's awards town A+ bond rating

By Register staff

When I issued office in 2011, the town was saddled with over \$100 million dollars in debt. In just five short years, we've reduced that indebtedness by an astonishing 47 percent to just \$52.5 million dollars," Mayor stated as a source.

This two-tier rating increase marks the second credit rating upgrade for Mayor Joseph Maturo Jr. and his administration since he returned to office in 2011. East Haven was previously awarded an A- bond rating.

the town's fiscal policies and that the firm has assigned a "stable" outlook to our overall financial situation," Maturo said in the release.

Since fiscal year 2011, the town has improved its budgetary performance and possesses a strong debt and contingent liability position. "East Haven's prudent fiscal policies demonstrated significant improvement between fiscal years 2011 to 2016. When a new administration came on board in 2011, the town implemented new policies to curb operating deficits. We acknowledge that the current administration has put more place economy downturn constraints and savings, which have improved budgetary performance, created an overall management stability," Standard and Poor's stated in the release.

While the credit rating agency cited ongoing deferred capital expenditures due to

Since 2011, the Town has earned THREE increases in its bond rating, including an historic two-tier increase in 2016.

Year	Bond Rating
2007, 2008	A
2009	A- N.H. Register – 8/5/2009
2010	BBB+ N.H. Register – 7/31/2010
2011	BBB+ N.H. Register – 8/2/2011
2012, 2013	BBB+
2014, 2015	A-
2016	A+

12

12. Another large reason we have able to reduce our debt stems from the credit rating increases we earned in both 2014 and in 2016.

Specifically, up until the 2007-2008 fiscal year, we had earned an “A” credit rating from Standard and Poor’s. However, in 2009 and 2010, S&P lowered our bond rating – **TWICE**. At BBB+, the rating was just above what is considered “junk bond” status.

However, in 2014, thanks to our efforts to restore the rainy day fund, S&P raised our credit rating back to “A-”, allowing us to obtain significantly better bond rates and to refinance some of the Town’s higher-interest bonds.

Then, in 2016, after the Town demonstrated continued success restoring its rainy day fund and reducing its debt, S&P awarded the Town an historic two-tier bond rating upgrade to “A+” – **it’s highest level in the Town’s modern history.**



13. Moving on, I'd now like to take you through an overview of my proposed budget for the 2017-2018 fiscal year.



The Big Picture – Part 1:

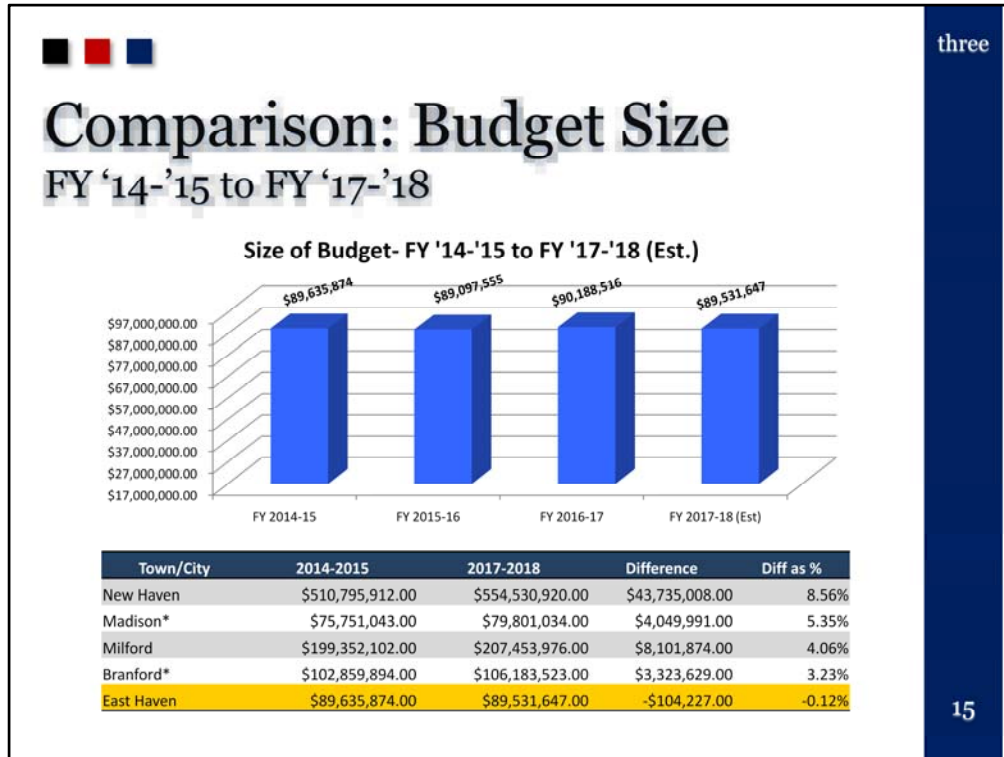
Expenditures: \$89,431,647.00

Fund Balance

Contribution: \$100,000.00

TOTAL BUDGET: \$89,531,647.00

14. Overall, my budget calls for \$89.4 million dollars in expenditures. In addition, my budget calls for a \$100,000 dollar appropriation to continue building the fund balance. As a result, the overall proposed budget is just over \$89.5 million dollars.



15. Everyone knows that the costs to operate our Towns continue to rise, especially in light of the State's budget crisis. And when costs have risen, so many towns and cities (including some of our neighbors) have simply taken the easy way out by raising taxes and increasing the sizes of their budgets. But, that's not what we've done in East Haven.

Since 2014, we've experienced increases in our health insurance premiums and rising salaries for our employees. We've even expanded a number of services we offer residents. However, unlike most other Towns which have simply increased their budgets or raised taxes over that span, we've actually **REDUCED** the size of our budget. In fact, my proposed budget is roughly \$105,000 dollars **LESS** than the budget we proposed and enacted in 2014.

I've said it before, and I'll say it again – here in East Haven, we have learned to do significantly MORE, WITH LESS.



The Big Picture – Part 2:

- i. .73% Decrease in Expenses over FY '16-'17
- ii. \$1.4 million increase in funding for education (\$300,000 from the Town)
- iii. \$100,000 in funding to continue to shore up the Town's Fund Balance

16. My proposed budget represents a .73% **DECREASE** in expenditures over the prior fiscal year. Importantly, it calls for a total increase in funding to education of \$1.4 million (including \$300,000 from the Town and \$1.1 million in additional State aid). Finally, it appropriates an extra \$100,000 dollars to continue rebuilding our fund balance.



Line item increases affecting the budget :

Department	% Increase	\$ Increase
Employee Benefits	3.42%	\$339,882.00
Police Dept.	5.97%	\$316,506.00
Education	.63%	\$300,000.00
Fire Dept.	3.67%	\$199,783.00
Public Safety Center	5.76%	\$45,687.00
TOTAL		+\$889,008.00

17. As you can see, the largest increases in the upcoming budget are to the line items for Employee Benefits, Education, and our public safety departments including Police, Fire, and our 911 Dispatch Center.



Line item reductions affecting the budget:

Department	% Decrease	\$ Decrease
Debt Service	-27.94%	\$1,243,749.00
Insurance	-7.36%	\$200,000.00
Legal	-21.91%	\$125,000.00
General Services	-2.99%	\$60,000.00
TOTAL		-\$1,628,749.00

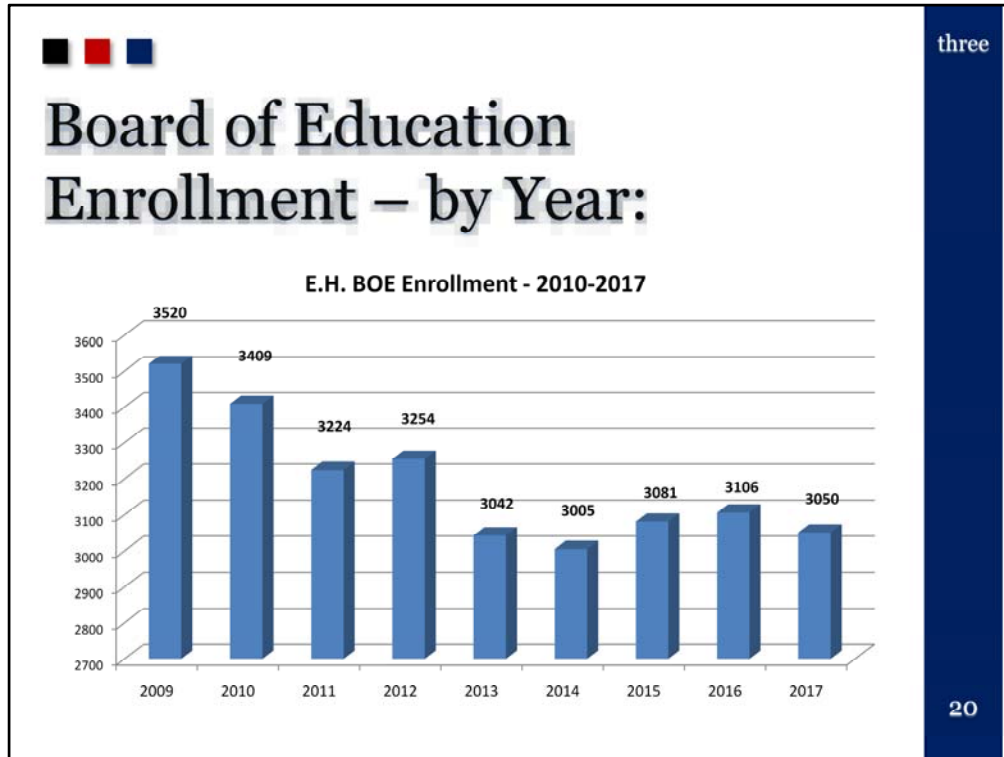
18. On the other hand, my proposed budget also reflects some valuable line item reductions. This budget year, thanks to our continued debt reduction efforts, our debt service payment drops by over \$1.2 million dollars. In addition, both our insurance and legal line items drop by \$200,000 dollars and \$125,000 dollars respectively. Finally, our general services line items sees a reduction of \$60,000 due to increased operational savings.



Board of Education Funding – by Year:

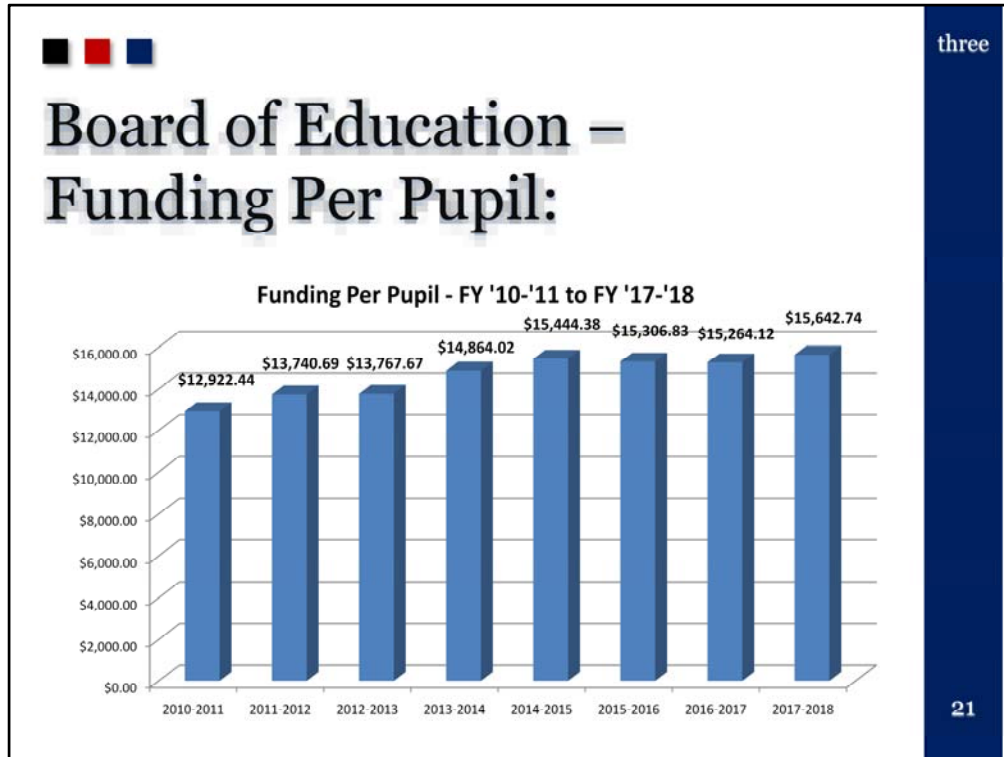
School Year	+/- by \$	+/- by %	Mayor
2012-2013	\$500,000	1.13%	Maturo
2013-2014	\$416,357	.92%	Maturo
2014-2015	\$1.2 million	2.65%	Maturo
2015-2016	\$750,000	1.62%	Maturo
2016-2017	\$250,000	.50%	Maturo
2017-2018	\$300,000 (+\$1.1 million in new ECS funds)	.63%	Maturo

19. Since 2011 alone, my administration has appropriated over \$3.1 million dollars in new funding for the Board of Education. This year, the State is proposing to revise the formula under which ECS funding is distributed by the State. As a result, between the \$1.1 million in new funding from the State and an additional \$300,000 to be allocated by the Town, the Board of Education is currently slated to see a \$1.4 million dollar increase in funding in the 2017-2018 budget.



20. As you can see, enrollment in our school system has been steadily decreasing for the past 8 years. Based on current numbers, it looks like it has stabilized around 3,100 students – down from a high of 3,900 students when I first took office in 1997. As of February of 2017, our enrollment stood at 3,050.

In light of this, the total increase in funding of \$1.4 million dollars should greatly aid the Board in improving curriculum and the overall educational experience for our students.



21. As you can see, as a result of the proposed increase in education funding, we will be allocating \$15,640 dollars per student in the next fiscal year – approximately \$2,700 more than was allocated in the 2010-2011 budget and almost \$400.00 more per pupil than in last year's budget.

As I do every year, I'd like to take a brief moment to express how proud I am of all of the talented students we have in our great community. Throughout our school system we have volunteers, artists, performers, accomplished athletes, and dedicated scholars. We have athletic teams that win regional and national championships and an amazing band that consistently earns national recognition for its dedication, commitment, and talent. Our young people are wonderful ambassadors for our Town and they remain a shining example of the great things we are doing here in our community.

four



The Bottom Line: What's going to happen with taxes?

22. In the end, every budget address always comes down to one question: “What’s going to happen with taxes?” Well, let’s take a look.



In the 2016-2017 FY, the mill rate was set at 31.55.

The Result:

- Over 5,900 of the +/-8,600 homes in Town continued to pay \$374 less (on average) in taxes than they were paying prior to 2011.

23. In the last fiscal year, the mill rate was set at 31.55. As a result, over 5,900 of the 8,600 homes in Town continued to pay \$374 less (on average) in taxes than they were paying prior to my resuming office in 2011.



Example Property #1

Lenox St., East Haven – 1,346 Sq. Feet,
3 Bedrooms, 2 Bath



Year	Value	Mill Rate	Taxes	\$ +/- from '11-'12	% +/- from '11-'12
2011-2012	\$152,120	26.59	\$4,045	-	-
2016-2017	\$117,437	31.55	\$3,705	\$340.00	8.4%

In the 2016-2017 FY, this taxpayer continued to pay \$340 less in taxes than he or she was paying under the prior administration.

24. For example, the owner of this property – a 3 bedroom, 2 bath cape located on Lenox Street paid \$340 dollars less than he or she was paying prior to my resuming office in 2011.



Mill Rate Proposal - Another NO TAX INCREASE BUDGET

The Result:

- Over 5,975 of the +/-8,600 homes in Town will continue to pay \$579 less (on average) in taxes than they were paying prior to 2011.

25. In the upcoming fiscal year, I am proposing another **NO TAX INCREASE BUDGET**. By keeping the mill rate the same, and as a result of the recently completed revaluation, over 5,900 of the 8,600 homes in Town will continue to pay **\$579 dollars less (on average)** in taxes than they were paying prior to my resuming office in 2011.



Example Property #1

Lenox St., East Haven – 1,346 Sq. Feet,
3 Bedrooms, 2 Bath



Year	Value	Mill Rate	Taxes	\$ +/- from '11-'12	% +/- from '11-'12
2011-2012	\$152,120	26.59	\$4,045	-	-
2016-2017	\$117,437	31.55	\$3,705	\$340.00	8.4%
2017-2018	\$107,642	31.55	\$3,396	\$649.00	16.1%

In the 2017-2018 FY, this taxpayer will pay \$649 less (or 16.1% less) in taxes than he or she was paying under the prior administration.

26. For example, the owner of the 3 bedroom, 2 bath cape located on Lenox Street that I just discussed will now pay \$649 dollars less than he or she was paying prior to my resuming office in 2011 (\$359.00 than he or she paid last year alone).



Example Property #2

Cosey Beach Ave., East Haven = 1,680 Sq.
Feet, 3 Bedrooms, 2 Bath (Waterfront)



Year	Value	Mill Rate	Taxes	\$ +/- from '11-'12	% +/- from '11-'12
2011-2012	\$380,800	26.59	\$10,125	-	-
2017-2018	\$300,078	31.55	\$9,467	\$658.00	6.5%

In the 2017-2018 FY, this taxpayer will pay \$658 less (or 16.1% less) in taxes than he or she was paying under the prior administration.

27. Under my proposed budget, even the owner of this 3 bedroom, 2 bath beachfront home located on Cosey Beach Ave. will now pay \$658 dollars less than he or she was paying prior to my resuming office in 2011.



Budget Review– Overall

- **No Change** in the Mill Rate;
- \$1.4 million dollars in new funding for the BOE (\$300,000 from the TOEH);
- \$100,000 dollars to continue to restore the Town's rainy day fund;
- \$1.2 million dollars in savings on long-term debt payments;
- Increased funding for Police, Fire, and Public Safety.

28. Just to summarize - My proposed budget provides for **no change in the mill rate**. It provides for \$1.4 million dollars in new funding for the Board of Education and \$100,000 dollars to continue to stabilize the rainy day fund. This budget also provides vital funding for our Police, Fire, and Public Safety Departments so that they can continue to protect and serve our residents.



**Town of East Haven
Mayor Joseph Maturo, Jr.**

**2017-2018 Fiscal Year
Budget Presentation**

March 28, 2017 – East Haven High School

Closing Slide:

I'd like to thank everyone for coming out tonight and I encourage you all to participate in the budget process as it heads to the Town Council for approval.

Thank you, and good night.