

**EAST HAVEN TOWN COUNCIL
PUBLIC HEARING
TUESDAY, JULY 10, 2012**

A public hearing of the East Haven Legislative Town Council was held Tuesday, July 10, 2012 at 7:00 p.m. at the East Haven Senior Center located at 91 Taylor Avenue, East Haven, Connecticut.

Chairman Richard Anania called the Public Hearing to order at 7:00 p.m.

Item #1

Roll call- 11 present- 4 absent (Parente, Purificato, Santino, Cubelotti)

A quorum is present.

Item #2

To conduct Public Hearing #1 regarding an Ordinance Adjusting the Dollar Cap for Bidding requirements pursuant to Chapter VI, Section 4(C) of the East Haven Town Charter.

Attorney Zullo explains that he was asked to look into the bidding requirements under the charter which allow the Town Council, by ordinance, to change the amount above which the Town has to get competitive bidding for. It has not been changed since the charter was revised in 1995. He further states that when researching this, he found that \$4,000 in 1995 has the buying power of \$6,031 in 2012 dollars. Attorney Zullo adds that with competitive bidding there are always advertising or opportunity costs, but if we can up that amount, we can save the Town money and make it more efficient. He states that he went back to 1995 to determine how much \$4,000 represents of the expenditures in that budget and calculated the percentage to be .00798%. The amount will fluctuate every year as the Town Council moves up and down setting the expenditures in the budget.

No public comment.

Council comment-

- Councilman Michael Riolino states that the percentage is an odd number to use, and according to the memo given it appears we would not need a bid for anything over \$6,936. He adds that he feels the Council should still set the rate when passing the budget; an ordinance should be passed stating what the bid floor would be rather than stating the expenditures.
- Vice Chairman Robert Sand states that from his understanding the percentage came from the charter and cannot be changed; the percentage will always be the same.
- Councilman Riolino asks if that was not just going in analytically and applying the \$4,000 to the expenditures.
 - Attorney Zullo explains that it was. The charter simply states that any procurement of goods or contracts for goods or services in excess of \$4,000 must be open to competitive bidding with the exception of a bid waiver. The charter does not specify a percentage; the percentage was calculated based on what the charter stated in that year.
- Councilman Parlato asks if this is a floating percentage, and every year if the budget goes up, this number will change to which Attorney Zullo explains that the percentage will never change unless another ordinance is enacted to alter it. Attorney Zullo adds that what will change is when the Council votes on the budget, when the expenditures are decided upon, that percentage is multiplied by the total cost of expenditures which gives you the bid requirement for the year.
- Councilman Parlato adds that this may be confusing for the department heads and suggests that a set figure is decided upon that can be visited every 3-4 years. He adds his concern is that all the purchase orders will have to be scrutinized by the Finance Department to make sure they go by that percentage.
- Chairman Richard Anania asks what the exact language of the charter is because that will be what the Council needs to stand by.
 - Attorney Zullo explains that the Charter is broad enough that a set number can be decided upon or a percentage can be used.
- Councilman Anthony Mansi explains that when the budget is given at the beginning, a specific number is given and that number is multiplied by the set percentage.

- Finance Director Paul Rizza states that initially he thought this would create a lot of work, but since the budget passes by the end of April and technically the next day, he would have to put a memo out to department heads and the Board of Ed., if anything is being bought over “X” dollars, it must go out to bid. The next year if that number went up or down, that new number would also have to be given to them.
- Councilman William Richardson asks if this becomes a problem, can it be changed again to which Attorney Zullo answers yes, it can be changed. Attorney Zullo adds that the publication of changing it costs the Town a lot versus sending out a memo of the change electronically which costs the Town no money.
- Chairman Anania states that the Department Heads will not be getting the percentage; rather they will just get a number so it will not confuse them about the amount that has to go out to bid.
- Councilman Riolino asks if the ordinance they are asked to pass tonight is setting the bid requirement as a percentage of the expenditures to which Attorney Zullo answers yes. Councilman Riolino adds that he agrees it needs to be bumped up, but questions if it makes people work harder today to get under the bid requirement.
 - Finance Director Paul Rizza explains that the only time this would become a problem is if there is one bidder. He further adds that the cost of advertising is extremely high, a small ad is close to \$300.00 and it could get much larger depending on the detail and size of the ad in the Register.
- Councilman Paul Carbo asks if most of the bids go through the purchasing department to which Paul Rizza says yes but they can come from all places; it could be a capital project or vehicle being bid on or various other things.

Item # 3

Adjournment of Public Hearing #1

Item # 4

Roll call- 11 present- 4 absent (Parente, Purificato, Santino, Cubelotti)

Item # 5

Hearing Committee report to the full Town Council to recommend action on Public Hearing 1

Councilman Richardson makes a motion.

Councilman Gary Depalma seconds the motion.

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

Item #6

Public Hearing adjourned at 7:21 p.m.

Respectfully submitted,

Danelle Feeley, Clerk, East Haven Legislative Town Council