

1. Call Meeting to Order – The Regular Meeting of the **Town of Plymouth Board of Finance** was called to order at 7:03 p.m. on Thursday, February 24, 2011 in the Community Room, Plymouth Town Hall by Chairman Ralph Zovich. Members in attendance: Pat Budnick, Vicky Carey, Peter Cook, Mike Drozdick, Dan Murray and Ralph Zovich. Also present: Mayor Vin Festa; Dave Bertnagel, Director of Finance; Robin Gudeczauskas, Recording Secretary. Mayor Festa stated a quorum of the Council is also present. Chairman Zovich stated also present are Blum Shapiro; Dr. Distasio, Superintendent; Mike Santogatta, Business Manager; Tommy Meehan, Director of Pupil Services; and Tony Lorenzetti, Director of Public Works. This is BOF meeting until item 6.

2. Pledge of Allegiance

3. Board of Education Update – Mike Santogatta stated they have spent money getting snow off the roofs, approximately \$70,000 and incurred over 2 week period with about \$9,000 in premium overtime to custodial and maintenance staff for snow removal and an issue. Unemployment account as mentioned will have money transferred into that, over \$20,000. Custodial overtime budgeted \$47,000 and before last pay period had expended 27% and then expended \$9,000 in a two week period. Accounts on good side include salary, utility very good and Special Ed out of district tuition very good. BOE approved at last meeting next year's budget which is a continuation budget with no increase and very pleased to have put that together. Chairman Zovich noted several BOE members were at the BOE meeting and he applauds the Superintendent for a zero increase budget. Dr Distasio reviewed \$570,000 special funding and 2 teaching positions they will fund out of it and eliminate next year; using the \$100,000 knowing positions will go away next year and then can do things in district with remaining funds.

4. Approve Minutes:

a. Jan. 20, 2011

**MOTION:** To approve the January 20, 2011 Minutes by Peter Cook; second Pat Budnick. Discussion: none. Vote: unanimous.

5. Mayor's Report – agree it has been a rough season and put a lot of pressure on Public Works, salt and sand issue and looking at accounts we are holding our own and applaud Public Works for that. Town Council by virtue of position on water line for Burr Road/ Harwinton Avenue, have been exploring every avenue possible. He has been to the State Capital, giving testimony and search for money and exploring federal grants looking for money and if come short on this they will come back to BOF for a special appropriation to bring water to homes with contaminated wells. This is a serious issue and if need to expend our money they will do so and it would be approx \$940,000. Chairman Zovich asked about situation of town garage and was the building insured. Mayor Festa stated it is insured at 100% and we will have special meeting with insurance company reps to do presentation.

6. Discuss & Take Action On Closing Of All Municipal Funds for FY 2009-10:

a. Present independent auditor's report by representatives of BlumShapiro (tabled)

**MOTION:** To take off the table the Auditor's Report from BlumShapiro by Vicky Carey; second Mike Drozdick and the vote unanimous.

Joe Kask, Partner with BlumShapiro, stated this is their second year to do audit for Plymouth. He noted year end report on expenditures have agreed upon procedures report and have issued a clean opinion on that; overview of statement of auditing

report and other types of audits referenced; overview of state and federal audit. Comprehensive Financial Annual Report overview given noting broken into sections, reviewed. Review of Independent Auditors Report, opinion letter, reviewed. Management Discussion and Analysis gives overview and financial highlights for fiscal year. Page 13 starts basic set of financial statements, brief overview of exhibits and statements. New standard for next year, from Accounting Standards Board, who decided to change nomenclature and will talk about restricted and unrestricted fund balance. Page 19, propriety fund types reviewed; Footnotes reviewed and noted page 35, greater explanation of facts and figures and noted under refunding debt, last two paragraphs issued GO bonds to refund some outstanding issues because rates of bonds were so good and have reduced debt service payments. Last letter brings best business practices that can be done, brief review given. Questions: DiAnna Schenkel stated she appreciates him recognizing this needs to be done earlier and would like to see this pushed for the voters for November if possible. Mr. Kask stated they will put the team together to get everything in motion to meet deadline. Vicky Carey stated the BOF goes by Charter and it has to be done by October 15<sup>th</sup>. Discussion held on what is needed for distribution. Chairman Zovich stated the Town was short \$300,000 in tax collections and since the Mayor had imposed a freeze he saved \$400,000 and therefore no deficit. Discussion on hold up for comprehensive report; Dave Bertnagel noted Special Ed grant funds could not be tied out. Report filed in January with OPM. Chairman Zovich stated recommendations in the management letter are taken to heart and all practical, financial control issues and will be thoroughly discussed. Pat Budnick asked what caused delay and what from our end; Joe Kask, educational grants was big issue and in towns general ledger have funds that control those funds and the BOE maintains detailed ledgers and when came out found in summary they did not agree to control accounts; also item between gap and modified accrual base accounting; reconciliation of interfund balances took time, waiting for tax collectors report, waiting for bank reconciliations. Pat Budnick stated the BOF would like to review and approve things before going to the public and this is the second year it did not happen. Discussion held. Joe Kask asked that the BOF set a deadline and ask for update 6 weeks prior to issue date; Ralph Zovich stated he would like a planning meeting in July with Joe, Dave Bertnagel, Mayor Festa and this board. Board stated the due date is October 15, 2011. DiAnna Schenkel stated what is not being captured is best practices and as a town we are growing and our goal should be to meet with internal people more often to see what are they doing in preparation for next audit. Dave Bertnagel stated he does have a better reporting mechanism in place after working with Nicoletta. Chairman Zovich stated we will continue to publish the short version and entire document will continue to be available electronically and on the web site. Discussion held. Mike Drozdick would like glossary or definition of terms in report; Joe stated audit report is a set format under Accounting Standards and Government Finance Officers Association issues pamphlets understanding financial forms which will help and Dave can get those. Dan Murray, reports next year will go from undesignated to undirected and broken down into other categories and why. Joe Kask, Accounting Standards Board decided to start moving governmental reporting more towards what we would see in for profit accounting. Vision is to make reports more understandable by the public. Public comments/questions: Pattie DeHuff, 20 Lynn Avenue, (a) great that it is going to be on line and when will it be on line; Ralph Zovich stated it can go tomorrow; Dave Bertnagel stated it is currently on the web and has been there for a week. (b) Older generation may not have access and if issued needs to be full report and not green one. Chairman Zovich stated green is printed by hundred; comprehensive is on file in

clerk's office. Vicky Carey noted upstairs are years worth of annual reports. Mike Drozdick stated it can be noted in the back to visit town clerk's office for more detailed information. Melanie Church, 328 Main Street, when say annual report the one you have and you cut down it is two different reports. One you discuss and one portray to public is full and not condensed. Pat Budnick stated one is the annual report and one is the audit report. Chairman Zovich noted there are 100 copies of the Comprehensive report in the Town Clerk's office.

b. Accept independent auditor's report with comments or corrections (if any).

**MOTION:** To accept the Auditor's Report as presented by Dan Murray; second Vicky Carey. Discussion: none. Vote: unanimous.

**MOTION:** For a five minute recess at 8:18 p.m. by Vicky Carey; second Dan Murray and the vote unanimous.

Meeting called back to order at 8:24 p.m.

7. Discuss & take action on following items in current FY2010-11 General Fund budget:

a. Status of delinquent tax collections and updates to Tax Sale List – note from Ted Scheidel read into record dated February 24,2011; collection percentage sheet distributed; Structus back taxes and Attorney Vitrano is going to make sure we get paid and money owed to state and do not want owner to get insurance money. Ralph Zovich stated with regard to the town garage, someone suggested we take ownership of Structus and use for highway garage and he feels ludicrous idea as we need \$409,000 in back taxes from Structus and whether through tax sale or sealed bid Attorney Vitrano is working on it. We need to work with EDC to find a suitable buyer for that property and keep on grand list. Pat Budnick asked whether property for sale is posted anywhere; Ralph Zovich responded that is done by legal notice through the tax collectors office. Pat Budnick would like it on web site (legal notice of foreclosures).

b. Recommended transfers between accounts, if req'd.

Dave Bertnagel distributed expenses report and transfer requests, reviewed, summarized and discussed. BOF requested Dave Bertnagel ask Ambulance Corps to supply their financial report; BOF will not transfer the \$1000 for their water overage and will have them run a deficit to be transferred at end of fiscal year but to be notified on their budget. Transfer total is \$22,466.

**MOTION:** To approve Transfers dated 2/24/2011 in the amount of \$22,466 as discussed by Dan Murray; second Pat Budnick. Discussion: Ralph Zovich stated if approved the BOF Contingency balance will be \$17,964. Vote: unanimous.

BOF requested agenda item be added for next month on updates for auditor's recommendations.

8. Begin review of revenue projections and expenditure requests for upcoming FY2011-12 budget preparation – Dave Bertnagel will have package by Monday noting Governor's recommendation on State of CT budget and grants for municipalities has not been cut but Manufacturing Equipment Pilot of \$100,000 has been cut. There are issues with state budget. There are two proposals to increase revenues to municipalities; if follow estimates of Governor we would get \$60,000 through an unknown agency. Dave Bertnagel stated utilities tax in budget we have \$67,000 (telecommunications) and at end of last legislative session a bill got passed and you get assessed on grand list and does not get paid until July and we were receiving that money in March/April; with further depreciation on those we may only

get in the range of \$25,000. Other state grant programs reviewed on possible changes.

a. Voluntary assignments by functional section. Vicky, Capital outlays; Dan, Public Works; Peter, Recreation, Miscellaneous and Education; Mike, Library and Public Health; Ralph, General Admin; Pat, Public Safety. Meeting with BOE in Community Room on March 24<sup>th</sup>. Public hearing tentative for April 12<sup>th</sup>.

b. Update of Net Grand List as of Oct. 1, 2010 – Grand list increased by about .22% and at current mil rate will generate additional \$55,000. That is not enough to cover revenue shortfalls. Grand List Comparison chart distributed and reviewed.

9. Update on Capital Improvements Project and discussion of consultant's report entitled, "Pavement Management Study". Tony Lorenzetti here for questions; Ralph Zovich gave overview of report and road conditions noting recommendation is to use our General Fund Capital outlays to continue to do basic routine maintenance and preventative maintenance and recommended \$2 million that the town does not have and so more roads will have to be bonded. Dan Murray noted maintenance works if all roads were built the same and they are not. Discussion on priority of roads and how they will be done. Tony noted software can look at roads with amount of money we have to use and gave overview of GIS system for Public Works and Land Use. Cracks is a threshold of problems, reviewed. Discussion held on criteria, traffic flow, safety, issues with drainage and flooding, need definitive information for discussion. Ralph Zovich stated money paid for this report was well worth it and contains a lot of information and detail. Mayor Festa stated understanding is they know there are so many roads in town in need of reconstruction and need to come to decision on how to approach this decision and need something in place. (Vicky Carey excused at 9:30 p.m.)

10. Finance Director's Report - \$900,000 water line appropriation and \$1 million for project; financing options reviewed and one being fund balance which he discourages. Add to capital improvements bond or have a separate bond issue and resolutions can be written to authorize expenditure to be offset expenditure with potential grants, contributions. Other option is do special assessment on that area of town and with only 17 properties it is \$100,000 per property to hook up and not recommended. That money does include some general road repairs in the area. Handouts from Dave reviewed that are in legislature and will affect municipalities "CCM Mandates" and "Connecticut Economic Digest". Distributed letter on Terry Fund which is like a hospice fund and managed by Waterbury Hospital and an endowment left to them and informational.

#### 11. Public Input

a. Pattie DeHuff, 20 Lynn Avenue, recommend the BOF take Dave up on offer to have individual bond authorization for people who need water and she supports it as know people need clean water.

#### 12. Correspondence

a. Yankee Institute for Public Policy – read into record; Ralph noted information was sent to them and if another inquiry comes in they should get data as given. Dave stated he gave information as requested but BOE side gave it in format as it comes.

b. Letter from AP Wireless Infrastructure Wireless read into record

- c. Torrington Area Health District notification of assessment going up \$200 for fiscal year 2011-2012, now \$57,307.
- d. Did get personal correspondence from Representative Whit Betts; members all received as well. Ralph will invite them to come to a meeting and will find out available dates and relay to the board.

13. Board Member Comments

- a. Ralph Zovich – budget process is long and drawn out and appreciate hard work and attendance.

14. Adjournment

**MOTION:** To adjourn by Dan Murray; second Peter Cook and the vote unanimous.  
Meeting adjourned at 9:55 p.m.

Respectfully submitted,

Robin Gudeczauskas  
Recording Secretary