

1. Call Meeting to Order – The Regular Meeting of the **Town of Plymouth Board of Finance** was called to order on Thursday, December 15, 2011 at 7:01 p.m. by Chairman Ralph Zovich. Members in attendance: Pat Budnick, Vicky Carey, Mike Drozdick and Ralph Zovich. Also present, Mayor Vin Festa; Dave Bertnagel, Director of Finance; Tony Lorenzetti, Public Works Director; Jim Schultz, Highway Superintendent; Rodney Houle, Chairman of Capital Improvements Committee; Nikoleta McTigue of Blum Shapiro.

2. Pledge of Allegiance

3. Board of Education update – Dr. Distasio, Superintendent; Michael Santogatta, Business Manager; Rob Parenti, Director of Pupil Services. Mr. Santogatta reported budget looks good; Special Ed and Outplacement are good as well as all utility accounts, reviewed. BOE approved a modified bus plan for next year which will consolidate bus stops and will save money; working on next year's budget, brief discussion held. Pat Budnick requested an updated listing of grants received by the BOE.

4. Approve Minutes:

a. Regular Meeting Nov. 17, 2011

MOTION: To approve the Regular Meeting Minutes of November 17, 2011 by Pat Budnick; second Vicky Carey and the vote unanimous.

5. Mayor's Report

Mayor Festa stated they are moving forward with tax collections at a steady pace; waiting for results of pretrial hearing on Structus and Coldform; discussion on regionalization with Central CT Regional Planning Agency and working on grants as well; have appointed Marty Sandshaw to be part of the energy audit program; have tentative contract agreements with Public Works and Police Department and working on town hall employees and supervisors/non supervisors.

6. Discuss & take action on closing of all municipal funds for FY 2010-11:

a. Review independent auditor's report with representatives of Blum Shapiro.

Chairman Zovich noted Dave had reviewed most of the financial exhibits and statements with the Board and all members have a draft copy. Nikoleta reviewed process of comprehensive financial annual report; GasB 54 requires restatement of fund balance into five categories, reviewed; exhibits reviewed (Sewer operating fund, water assessment, dog fund, miscellaneous, atm fund [asset forfeiture of the police department], small cities block grant, open space, hospice, economic development, police extra duty, recreation revolving, historical, engineering subdivision, education, school cafeteria) all of which were clearly described in the narrative about being attached to their own revenue source; two types of permanent funds which are expendable permanent funds and unexpendable permanent funds, reviewed and discussion held. Ralph noted typo on page 36, reviewed which needs inserted \$391,181 per Nikoleta. Town award reviewed and a special thank you to Nikoleta and her staff for their hard work regarding the Certificate of Achievement in Financial Reporting recognizing Dave. Ralph noted the BOF is under their statutory debt limit and currently have a total of \$17,255,000 in bonds and \$650,000 in outstanding loans with total bonds and notes payable of \$17,905,000; repayment schedule reviewed noting in 2012 we have \$1,770,000 in principal and \$545,000 in interest outstanding. Chairman Zovich asked for Blum Shapiro input with regard to a tabled item on agenda with regard to unauthorized transfer between funds, with this level of auditing scrutiny and control, would Blum Shapiro pick up on an unauthorized transfer. Nikoleta stated they would probably catch something that looks out of the norm from one year to another

and then do more detail research and ask questions to understand whether correct or not. If the transfer is clearly marked from one fund to another, they still make sure it has been authorized. Discussion held with recommendation that the BOF pursue a formal written financial policy. Public Comment: P. DeHuff, 20 Lynn Avenue, where do we find signed/unassigned categories when we look at our budget. Dave Bertnagel stated as part of signed/unassigned categories there is a piece in the budget that says designated for subsequent budget and that is part of the budget and that number would match the budget document line item, a revenue. Chairman Zovich stated it used to be called the undesignated and currently is at \$1,655,000 and shrunk by the amount of the deficit; reviewed and discussion held.

MOTION: To accept the Comprehensive Annual Financial Report as presented by Pat Budnick; second Vicky Carey. Discussion: none. Vote: Vicky Carey, yes; Pat Budnick, yes; Mike Drozdick, yes and passes unanimously.

7. Discuss & take action on an advisory endorsement of the revised infrastructure bonding proposal to authorize up to, but not to exceed, \$9.8 million to fund the first phase of the town's 5-year Capital Improvement Plan as recommended to the Town Council on December 6, 2011.

Chairman Zovich stated he got the draft transcript (minutes not yet posted) of Rodney's presentation to the Town Council which was distributed to members for review. Mr. Houle, Chairman of Capital Improvements Committee, reviewed background of bonding proposal and then work done since and need for infrastructure updates. He noted there are \$60 million of capital improvements that are wanted or necessary and were broken down into three groups. Pavement Management Study done by Mr. Lorenzetti was good for the CIC and what needs to be done on roads is about \$20 million. Review of transcript held noting \$9.8 million bond; taxes will not go up due to mature bonding or level debt service. Three main roads need major attention and putting \$3 million into Seymour Road project including waterways to the lake to stop damage from occurring to Lake Winfield and this project will go out to bid; \$4.8 million is broken down into categories, reviewed. Bemis Street needs to be on list and hope to put it on next time as looking at \$2.5 million to fix it. He noted architectural engineering is 10% of cost of a road and therefore asking for \$250,000 to get this study done on Bemis Street. Pequabuck River study needs to be done noting on Beach Avenue whenever major rain it floods and dangerous affecting homes on Beach as well as businesses on Main Street and that will be \$1.6 million so 10% for which we need to start doing something about it at a cost of \$1.6 million and will receive something back but will not get money until the project is started and we need money up front. This totals \$9.8 million with most of the work being done in house. After meeting with the BOF he will appear before Planning & Zoning and then back to the Council for a public hearing and then will ask for a town vote and hopefully be started in the spring. Tony Lorenzetti reviewed projects on DOT rating and reimbursement rate as discussed before the Council, reading from draft of Council meeting on December 6, 2011; discussion held noting of all bridges inspected by DOT, this is rated "poor". Chairman Zovich reiterated the Town must bond the full amount, make expenditure, repair/replace the bridge and then apply for reimbursement. Mr. Lorenzetti reviewed breakdown and preliminary design on Seymour Road and the Pavement Management Study/Road Maintenance Repairs Study. Discussion held on the details of which roads would be done, at what cost and how long.

MOTION: To endorse the revised infrastructure bonding proposal to authorize up to but not to exceed \$9.8 million to fund the first phase of the Town's 5 year capital improvement plan as recommended to the Town Council on December 6, 2011 by Vicky Carey; second Pat Budnick. Discussion: Patty DeHuff, 20 Lynn Avenue, (a) question

asked is the list set in stone she did not hear the answer. Chairman Zovich noted, except for the contingency, Tony stated he has allowances in case he gets into unforeseen drainage problems and the software generated these numbers and will stay with roads on this list. (b) will these roads be listed in the package. Chairman Zovich stated this has to be made part of the record in the public hearing and part of the presentation because you don't list every detail in the bond authorization. This Board is voting on the dollar amount. Dave Bertnagel noted \$1.4 million coming off in principal and interest and projected term of the bond, depending on time frame for construction, 24-36 month for cash flow analysis. If passes at referendum we would borrow the entire \$9.8 million at once as cheaper to do it that way. A five year term right now for interest is about high one's, low two's based upon our bond rating as well. Chairman Zovich stated there will not be a tax increase from this bond issue; reviewed need for a project manager/clerk of the works who represents the best interest of the town and will work with CIC, Public Works and interface with the contractors. Vote: Vicky Carey, yes; Pat Budnick, yes; Mike Drozdick, yes and the vote unanimous.

8. Discuss & take action to establish a "Comprehensive Energy Conservation" account within the Capital Projects Fund and act upon on a special appropriation recommended by the Town Council for an amount not to exceed \$282,470, said funds to be provided from the existing A.R.R.A. energy audit grant, public utility incentives and \$182,433 in zero percent (0%) financing over 3 years.

MOTION: To establish a "Comprehensive Energy Conservation" account within the Capital Projects Fund and act upon on a special appropriation recommended by the Town Council for an amount not to exceed \$282,470, said funds to be provided from the existing A.R.R.A. energy audit grant, public utility incentives and \$182,433 in zero percent (0%) financing over 3 years by Vicky Carey; second Pat Budnick. Discussion: Dave Bertnagel gave brief overview that 6 months ago both Tony Lorenzetti and Marty Sandshaw had \$59,991 grant and the Town Council authorized \$10,000 for consultant and as a result of the study that came back, we can do improvements as before the Board and of that amount the remaining A.R.R.A. money, \$49,000 is part of that and money we are going to spend and will get reimbursed that money (\$49,000) through the FEMA Recovery and Reimbursement Act. The remaining piece is a program offered by CL&P. In the electric bill we pay the cost of those improvements each month and as a result once improvements are made the energy bills drop and the net gain to the town will be a surplus. Chairman Zovich noted if this is approved by the BOF tonight and goes to the Town Meeting and they authorize borrowing \$182,000 and putting into line item for comprehensive energy conservation, all of our future energy bills will have this charge tacked on to it. We are borrowing money and will repay in future bills over 3 years. Tony Lorenzetti distributed and reviewed a "Comprehensive Energy Conservation Measure Executive Summary". Vote: Mike Drozdick, yes; Pat Budnick, yes; Vicky Carey, yes and the vote unanimous.

9. Review and analyze cost/benefits associated with revised bid proposal for Curbside Trash Collection and make recommendation to Town Council regarding inclusion in FY2012-13 General Fund budget.

Presentation by Ted Scheidel and Tony Lorenzetti to the Board of Finance given stating what it would cost the town to implement curbside automated collection of municipal solid waste. Financial projections distributed and reviewed. The impact on the general fund would be half a mil. The Council is asking the BOF to take a look at the costs and benefits and to make a recommendation to them. If favorable and feedback from the public is favorable, they are asking the BOF to include this into the General Fund budget. Discussion held. It was noted this is the lowest cost proposal presented for curbside

pickup. Vicky Carey stated she does not want to put this into this year's budget and would rather have the people vote for it as it is a large ticket item. This should go to the public first and if they agree to it knowing the costs than it can go into the budget. Vicky recommends to the Town Council they take it to a public hearing and that we will take the results of the public hearing. Ted Scheidel stated people do not come out for a public hearing but if they see it in the budget they vote without all the facts. Council Liaison Schenkel stated what she and fellow council members are looking for is to hear from the BOF of impact and public needs to assess value of convenience; it is not for seal of approval of the BOF but for input and goal is to look at all people in town.

MOTION: To recommend to the Town Council to go to a public hearing to have a vote of the people by Vicky Carey; second Pat Budnick. Discussion: Vicky stated there are people who cannot get garbage to transfer station and have private contractors. Chairman Zovich noted people have asked for the cost per person so they can make comparison to current collection company. Discussion held on costs, number of people who use the transfer station, future costs of maintaining the transfer station need to be reviewed at the public hearing, all details need to be reviewed including costs to haul garbage. Vote: unanimous.

10. Discuss & take action on following items in current FY2011-12 General Fund budget:

a. Status of delinquent tax collections and updates (if any) to Tax Sale List – Sheet distributed and reviewed by Ted Scheidel dated 11/30/11 noting with 5 months they are at 53% collections. Another round of tax sales in mid January are coming up with about 10 additional to previous 6. Number for supplemental cars is \$252,450 collectable and budgeted \$175,000.

b. Recommended transfers between accounts, if req'd. – None.

c. Update on implementation of cost savings; i.e. trak-phones, asset sales, O/T, etc. Looking to get cars in back replaced and all Crown Vics will go.

11. Tabled: Discuss financial control alternatives to prevent unauthorized interfund transfers without BOF approval.

12. Finance Director's Report – Dave Bertnagel distributed information on storm damage costs, reviewed noting presented to Council at last meeting. Have two different events declared disasters by the President and first is the tropical storm event and to date have expenditures of \$148,515.61 between General Fund (\$50,098.38) and Water Pollution Control (\$98,417.23). Cost to the town will be 25% or \$12,525 for the Town and \$24,604 for WPCA. There was infrastructural damage to the town and everything needs to be looked at and we are still entitled to 75% reimbursement. Discussion held.

13. Public Input

a. Patty DeHuff, 20 Lynn Avenue – Hearing rumors and asking if true that the Public Works Department has bought two new trucks and they bought under small equipment replacement and is that true. Chairman Zovich stated in this years' budget have under Capital Outlays, Non Recurring, there is a line item for Small Equipment of \$70,000 and expended. Jim Schultz stated he got a small pickup to replace his Dodge pickup and another small pickup for the department. Dave Bertnagel reviewed requests and stated small equipment created and Jim approached and needed two trucks with low gas mileage and he had asked them to check for used vehicles and part of allocation and other equipment purchased was a mower; followed normal bidding procedure. Chairman Zovich stated all procedures followed and did not exceed \$70,000 line item amount. It is not a large truck as stated in Capitals; discussion held on breakdown of description.

14. Correspondence

15. Board Member Comments

a. Pat Budnick – Questioned setting up some type of trust for all open areas. Dave Bertnagel stated no plan but will look to do something such as storm water trust and put monies into escrow, reviewed, to pay for maintenance.

16. Adjournment

MOTION: To adjourn by Vicky Carey; second Mike Drozdick and the vote unanimous. Meeting adjourned at 9:30 p.m.

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary