

## **Town of Plymouth**

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## **Board of Finance**

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1. Call Meeting to Order – The Regular Meeting of the Town of Plymouth Board of Finance was called to order on Thursday, October 20, 2011 at 7:00 p.m. in the Assembly Room, Plymouth Town Hall, by Chairman Ralph Zovich. Members in attendance: Pat Budnick, Vicky Carey, Peter Cook, Mike Drozdick, Ralph Zovich. Also present: Dave Bertnagel, Director of Finance; Mayor Vin Festa; Robin Gudczauskas, Recording Secretary. Excused absent: Dan Murray.

2. Pledge of Allegiance

3. Board of Education update – Dr. Tony Distasio, Superintendent; Tommy Meehan, Director of Pupil and Personnel; Mike Santogatta, Business Manager. Mr. Santogatta noted they are 3 months into the budget and looking good; no foreseen problems at this point. Purchased oil a few weeks ago when per barrel price down for 2 buildings that only run on that and for the town side and locked in at \$3.07; did buy natural gas for other 3 facilities and using formula in converting natural gas to oil and ratio came to approximately 1.90 per gallon. Our school district has been recognized for an energy conservation award. Chairman Zovich thanked the BOE for money returned. Dr. Distasio stated they have started negotiations with teachers and the next meeting is Wednesday, November 2<sup>nd</sup> at 6:30 and then one November 15<sup>th</sup> at 6:30 noting the subcommittee meets first and the BOF can attend that at 6 p.m. Mr. Santogatta also noted Mr. Sandshaw has applied and two of four schools may be designated as energy star schools for their conservation; applications filed for all four buildings and great award if recognized by the government. This designation would help in future with other grants applied for. Chairman Zovich asked what the average per kilowatt cost; Mr. Santogatta stated .0778 which is generation rate and CL&P is .096; last year savings were about \$42,000. Chairman Zovich noted on energy savings issue, study done showing heating load on new high school and when they can change programmable thermostats to shut down systems and are monitored how long for building to cool at night and know when optimum time to start back on; Mr. Santogatta stated formula based on outside temperature and ability for units to get up to temperature and formula will tell what time to fire up based on outside conditions; discussion held.

4. Approve Minutes:

a. Joint Special Meeting Sept.12, 2011

**MOTION:** To approve the minutes of the Joint Special Meeting of September 12, 2011 by Pat Budnick; second Vicky Carey. Discussion: Dave Bertnagel will have update on emergency repairs. Vote: unanimous.

b. Regular Meeting Sept.15, 2011

**MOTION:** Move to accept by Peter Cook; second Vicky Carey. Discussion: none. Vote: unanimous.

5. Mayor's Report – Good news with report from Ted on collection of back taxes and moving forward. Better news, have flurry of activity on 11 properties going up for tax sales with inquiries. Best news, there will be a press release on information that David Bertnagel has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Financial Officers Association. Mayor Festa stated he applauds David for efforts and first award for the town. Everything else status quo. Waterwheel – finished contamination issue; ready to move forward to next phase for first phase of construction bids; Historic Properties Commission will meet on bidding for bricks for memorializing. Do have volunteer labor (Mark Sekorski's company) to put new shingles on roof on waterwheel and a few

donations for shingles. Pat Budnick asked for update on auction properties and will they be on website; Mayor Festa stated our website person comes in on Friday and it is status quo. Discussion held.

6. Discuss & take action on closing of all Town funds for FY2010-11

a. Review final draft of Annual Financial Report & Comprehensive Auditor's Report – Dave Bernagel distributed draft of annual financial report noting marked “For Discussion Purposes Only”, reviewed. Report of tax collector ended June 30, 2011 – significant increase in outstanding property taxes; current levy has driven this, discussion held. In the coming budget we will have revised grand list. Exhibit A2 reviewed. Pages 2-5 reviewed, revenues of the town. Fund balance, undesignated, reviewed. Page 6-8 are Exhibit B1 which are in the audit and balance sheet perspective for all revenue funds in town. Debt service, other funds are such as high school, Fall Mountain water and capital project fund to be reallocated to other funds, reviewed. Discussion on money, \$2000 given yearly to Hillside Cemetery and they have a large fund balance; background given. Schedule B2, revenues and expenditure side; reviewed. Every fund is in our system and balance sheets are updated monthly. Sewer funds, Exhibit B3, reviewed. BOE Proprietary Fund, reviewed. LTD Trust, part of pension, reviewed. Pension Fund, reviewed. Performance bonds, reviewed. Activity funds reviewed. Annual Audit will be made available on Election Day with at least 500 printed and made available. Comprehensive Report will be scanned and on website; copies will be available in town clerk's office and library. Pat Budnick questioned employee benefits and increase; Dave noted State of CT and teachers have their own plan and this is for police department only; this is expensed and we have no liability.

**MOTION:** To accept the Financial Report as presented and authorize for publication and to publish 500 copies by Pat Budnick; second Mike Drozdick. Discussion: none. Vote: unanimous.

7. Discuss & take action on implementation of General Fund budget for FY2011-12:

a. Review plans for cost savings and asset sales for new fiscal year. – Dave Bernagel noted timing on selling old crown vics and advertising starting with two and other three in spring. We will buy one new car in November/December and will go off state bid and getting more detailed information. Discussion held and Board would like to sell all five now and then have funds to buy two new ones. Police Department vehicles, have bid specification from the State on all new ones which are not available until the spring; those vehicles are traded in as new ones are ordered.

b. Recommended transfers between accounts if req'd. – Dave distributed transfer; reviewed. **MOTION:** Approve 5 requests for transfer: Assessor's Office, interdepartmental \$25 to Service Contracts from Personal Property Audits; Town Clerk \$250 to Code Change from Wages/Benefit Adjustment; Employee Benefits \$700 to Actuarial fees from Wages/Benefit Adjustment; Police Department \$1,399 to Exam Expenses from Electrical Repairs and Supplies; Parks & Recreation \$690 to Rentals for port-o-let for Lake Winfield from Contingency. By Vicky Carey; second Peter Cook. Discussion: Vicky Carey noted with regard to the Police Department, in the future the state may charge towns more money on exams and qualifications and towns will eat the costs; Dave noted discussion held a few months ago and some sections got implemented in Governor's new budget and they may be introducing more things and may cost the town \$5000 per new officer. We have not had to send anyone to the academy and have been hiring certified officers and noted right now some went through recertification and the Chief is being proactive in getting them recertified now before costs are passed down to the town. He noted the State may do the same with firefighters. Vote: unanimous.

c. Update on collection of delinquent taxes and upcoming Tax Sales with website link. – Summary from Ted Scheidel distributed and reviewed noting collection 13,565,476 at 51.7% and about \$40,000 ahead of last year at this time. We are claimant on Structus \$400,000 settlement and should it be resolved in our favor the Prior Year Collection number will jump; we are beginning foreclosure on Coldform. Tax sales, link is on the web site and understanding is cannot put all information on web site but enough so if people want to see name, address, amount of outstanding taxes they can come in and get packages. Next tax sale is November 3<sup>rd</sup>. Discussion held on putting photos on website with entire bid package as link on website.

8. Remove from Table: Discuss & take action on potential safeguards to prevent unauthorized transfers between the various Town of Plymouth operating, fiduciary, special revenue and proprietary funds without Board of Finance approval.

**MOTION:** To remove from the Table by Pat Budnick; second Mike Drozdick. Vote: Vicky Carey, yes; Pat Budnick, yes; Mike Drozdick, yes; Peter Cook, no. Vote passes.

Chairman Zovich reviewed item. Peter Cook stated he thought end of discussion last time was to wait for legal opinion. Dave Bernagel stated he spoke with Attorney Vitrano who will research issue. Peter Cook suggested putting back on table and wait for legal opinion and then decide what we want to do with it.

**MOTION:** To table by Peter Cook; second Vicky Carey and the vote unanimous.

9. Discuss & take action on Town Council recommendation “to appropriate \$1.45 million for the purchase of the North St. watershed property from Connecticut Water Co. pursuant to the Sales Agreement and Conservation Easements; said appropriation to be funded by state and federal grants.”

**MOTION:** To appropriate \$1.45 million for the purchase of the North St. watershed property from Connecticut Water Co. pursuant to the Sales Agreement and Conservation Easements; said appropriation to be funded by state and federal grants by Mike Drozdick; second Vicky Carey.

Discussion: Chairman Zovich gave history when had first right of refusal to buy water company property and we supported efforts to apply for grants which were approved of \$650,000 from the State of CT and \$800,000 in federal grants with a small cost to the town for legal fees. At the Town Council meeting a public hearing date was set for October 25<sup>th</sup>. He paraphrased what the town attorney said property is to be used for. Structural engineer report has been submitted and dam is rated in good condition but once title transferred we assume future maintenance and liability of the dam. Action by BOF reviewed. There is no bonding just expenditure of grant money. Questions: (a) Cost of sale to the town; Mayor Festa stated no estimate yet and do not know how long it will take the State to do their process and we need to do ours; this is also new item for DOT as first time land acquisition they are involved with. Deadline we have is March 2012 when CWC would like to commence with sale of property. (b) Budgetary wise is it going to be with Parks and Recreation; Mayor Festa stated his recommendation is to Public Works for maintaining of dam and have people trained on structure for dam; walkway around lake as certain parts of pathway are contingent to property lines and about 3 properties encroaching on CWC now and will have to move encroachments; (c) maintenance of trails and concern if put beach frontage where will parking be and plans for future. Mayor Festa noted areas marked on plans specific for parking. (d) Deed restrictions on what we can do; Mayor Festa not much we can do other than parking and beach area and have to leave as natural state and there will be a permanent conservation easement of maintaining natural resource and why putting money up. Concern noted on costs to maintain. Chairman Zovich noted we have structural report on dam, it needs to be maintained and money will have to be put aside for future maintenance. (e) Can we make money from this; Mayor Festa, you cannot do that as this is state and federal money with requirements on it. (f) Concern on waterfall, rocks are in cages and some falling out and if to go, what is cost to repair and how much should we put aside each year; Dave Bernagel stated he will asked Tony to get costs from CWC for maintenance. (g) we have reservoir at high school

and not used to fullest. Public questions: Patty DeHuff, 20 Lynn Avenue, (a) as a taxpayer concerned if that dam goes and if were to flood properties would we be liable. Chairman Zovich noted there is an agency in the state responsible for inspection of dams; Mayor Festa, there is an inspection and liability and we will monitor. In the event of storm, levels will be checked so dam does not breach. Dave Bertnagel stated we would add insurance to that and will read through document. Mayor Festa noted the dam at Lake Winfield needs to be replaced as well; insurance on Lake Winfield is part of general liability. (b) any idea how many people it will take to mow the lawn; Chairman Zovich stated only a small piece on front and if do have trails it will be trail maintenance and depends on future use of location. Mayor Festa noted point is this piece of property has become available and by State Statue they need to be offered to municipalities then conservation groups and then to public. (c) Do we have anyone in Public Works with ability to monitor; Mayor Festa stated they would be trained. (d) How much does it cost; Mayor Festa stated CWC has volunteered to train employees and CWC will maintain pump house and towers. (e) No domesticated animals; Chairman Zovich stated said someone asked about horseback riding. (f) How about dogs. Chairman Zovich stated that will need to be clarified. Roll call vote: Mike Drozdick, yes; Pat Budnick, yes; Peter Cook, yes; Vicky Carey, yes. Motion carries unanimous.

10. Discuss & take action to authorize the Finance Director to collect the full settlement amount of the insurance claim totaling \$152,900 resulting from the collapse of the Highway Dept. garage and request the Mayor expedite the necessary Purchase Orders to ensure payment. Chairman Zovich explained at the Town Council meeting they heard a presentation from the Public Works Director on settlement of highway garage; insurance claim contains depreciation allowance and if you do not rebuild garage in exactly the same place you lose this allowance of approximately \$34,000 and instead of \$152,000 we would get \$34,000 less. There is deadline from time claim approved of 180 day. In our role of financial oversight it is not in best fiduciary to lose that \$34,000. Cost to rebuild is \$119,000 for the building and \$22,000 for foundation; few thousand extra for insulation and electrical or total of \$145,000 and below total reimbursement amount. To have 7 bays the building would have to be 40'x105'. Discussion on moving building would lose money. This is not a new expenditure but reimbursement of existing physical asset and we take money and issue purchase order as followed in bid procedure. Peter Cook asked for written letter from town attorney stating we do not need town meeting. Dave Bertnagel reviewed stating no change in asset value and concern if moved from location a to location b it would be a new expenditure and required to go; but this is replacmenet of damaged piece. Mayor Festa stated this has been gone through and was brought to Council and bottom line, insurance replacement putting on same footprint we do not spend a penny over the insurance money and fine with allocation. Peter Cook, this is just for building not truck damage; Dave Bertnagel, those trucks have been covered and strictly building.

**MOTION:** To authorize the Finance Director to collect the full settlement amount of the insurance claim totaling \$152,900 resulting from the collapse of the Highway Dept. garage and request the Mayor expedite the necessary Purchase Orders to ensure payment by Pat Budnick; second Mike Drozdick. Discussion: Melanie Church, 328 Main Street, spoke to Bobby McFadden of insurance company and footprint is exact same size and does not mean property; footprint is section damaged to a "t" is what you are putting back and that is footprint. They figured for measurement of that size. Old highway garage was 6 bays. Vicky Carey, 7 and had extra one in front and had 8 because he was able to put tractor, 3 on front side with little area and then four. Chairman Zovich stated whether 7, 6 or 8, building spec is 40' wide x 105' long and Dave will verify with claims adjuster that 40' x 105' qualifies for full reimbursement. Pat Budnick, we are authorizing to collect full settlement and to not go over that amount in new building. Vote: Vicky Carey, yes; Peter Cook, yes; Pat Budnick, yes; Mike Drozdick, yes. Vote is unanimous.

Vicky Carey excused at 9:12 p.m.

11. Finance Director's Report – Distributed "Town Storm Events Costs" expenditures incurred from tropical storm event, reviewed. Total General Fund expenditures were \$50,098.38; Water Pollution Control expenditures total of \$98,417.23 with a total costs incurred of \$148,515.61. Insurance company has not approved WPCA cost for pipe which has also been submitted to FEMA. BOE did bring café people in but costs have not been submitted to the town. We have until August 2012 to get everything in to FEMA, of which 75% of eligible costs can be refunded; Homeland Security may have funds available but nothing certain. This amount does not incur loss of infrastructure and each one of those are a separate basis, such as Bemis Street, Todd Hollow, Main Street bridge debris and many other areas. Another area are homeowners who got flooded twice, first from the tropical storm and then major rain event. Chairman Zovich noted fire department and public works did a phenomenal job. Bemis Street discussion held and Fish & Game has been put in touch with FEMA and with historical properties as dam is part of old Eagle Lock and Fish & Game does not have money within their organization for maintenance. Discussion held.

#### 12. Public Input

a. Patty DeHuff – 20 Lynn Avenue, Terryville - Chapter 5, Section 2a, Annual Town Report, read into record. (a) Would like BOF to consider the full report available to those people and not just on line but published form. Pat Budnick noted CPA firm was not ready and sent draft. Chairman Zovich noted we were suppose to have special meeting last week and explained. Could have a copy of draft available in clerk's office. Dave stated he has plans in making copies. (b) talking about full comprehensive report. Chairman Zovich stated Comprehensive has appendices and different reports and will be available but Annual Financial Report will be copied and available. Peter Cook stated the Comprehensive report was done for the first time last year.

(b) Melanie Church, 328 Main Street, think he should write condensed on annual report. Pat Budnick noted that is the Annual Financial Report and the other is the Comprehensive Financial Report. Chairman Zovich stated last year did not have but auditor will have findings in audit report.

#### 13. Correspondence

a. ConnectiCare is targeting Medicare recipient's specifically municipal retiree plan; information given to Dave Bernagel.

#### 14. Board Member Comments

a. Ralph Zovich – reminder next meeting is November 17 and will have election of officers and Dave will invite Blum Shapiro; vote Tuesday, November 8<sup>th</sup>.

#### 15. Adjournment

**MOTION:** To adjourn by Pat Budnick; second Mike Drozdick and the vote unanimous.  
Meeting adjourned at 9:40 p.m.

Respectfully submitted,

Robin Gudeczauskas  
Recording Secretary