

## **Town of Plymouth**

80 Main Street  
Terryville, CT 06786  
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## **Board of Finance**

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Chairman Ralph Zovich, Plymouth Board of Finance, called the **Public Hearing** to order at **7:00 p.m. on Monday, April 23, 2012** in the Auditorium at Terryville High School, North Harwinton Avenue, Terryville, CT.

Pledge of Allegiance

Chairman Zovich read the Legal Notice into record and reviewed process for the public hearing stating after the budget presentation for the fiscal year beginning July 1, 2012 will be public comment, questions and answers. Following this will be a joint meeting of the Town Council, Board of Finance and Board of Education in the cafeteria.

Introduction of Board of Finance members in attendance: Vicky Carey, Vice Chairman; Pat Budnick, Peter Cook and Mike Drozdick; David Bernagel, Director of Finance; Ted Scheidel, Administrative Assistant to the Mayor; Dr Distasio, Superintendent of Schools; Mayor Vincent Festa and members of the Town Council and Board of Education. He noted the excused absence of BOF Member Dan Murray. Slide presentation given with review of:

\*Budget Development Process

\*Budget Goals

\*Critical Factors

\*Revenues & Expenditures

\*Consolidated General Fund Summary - We had \$283,000 deficit last year; unassigned general fund dropped \$2,188,367 to \$1,655,273 this year.

\*Summary of Expenditures by Department – Increases reviewed: BOF, \$30,000 is contingency for unforeseen fuel price increases; insurance up \$32,500 and employee benefits \$160,000 includes health, worker's comp; heart & hypertension up \$60,000 with total increase in General Administration of \$300,055. Savings reviewed noting those in Public Works; Debt Service due to accelerating payments for savings of \$100,000.

\*Capital Outlay - \$130,000 grant funded for road repairs; LoCIP applied to road repairs of \$98,000; short term financing of \$425,000 for a new highway garage; noting in previous years' money was requested in the budget to fix this garage and was cut; currently this building has building and fire code violations. Lease payment schedules and those being paid off early saving \$40,000 in interest.

\*BOE budget – Enrollment overview and school budget noting budget is staying the same for third year and enrollment was down and now up by 50-60 students. Budget by site location reviewed.

Calculation of tax rate noting net grand list as of October 1, 2011 at \$757,582,285 (down over \$66,000,000 over last Revaluation) which means 1 mil of taxation is worth \$757,582. Amount of current taxes in budget is \$25,680,335 based on 97% collection rate. Proposed tax mils will be 35.0. Calculation to determine mil rate reviewed.

Impact of Revaluation – graph of real estate investments noted on grand list reviewed.

#### Commentary and Observations:

Mayor Vincent Festa – Extend thanks to members of the Board of Finance for coming in with budget and helping town with finances; to Dr. Distasio and Mike Santogatta for outstanding work and wonderful relationship between the Town and Board of Education and development of the BOE budget; his staff including Tricia, Bill Bellotti, Ted Scheidel and Dave Bernagel as without David's work we would not be where today and have received a wonderful award on David's financial reporting; Ted for work on collection of back taxes and sales of delinquent properties and to Ana and the marvelous job she is doing. He noted the town is trying to hold line best they can while providing services and will continue to do so over budget cycles.

Dr. Distasio – The Board was able to come in with another zero which was no easy feat, reviewed noting savings in energy with Mr. Santogatta and Mr. Sandshaw work have saved a number of dollars; Special Ed programs brought back to our district and saves money while still providing necessary services to children; bargaining units who are willing to work with them in developing contracts; staff in school district including building administrators and Board of Education who provides great leadership in this district as well as cooperation between the Mayor, Town Council, Board of Finance and Board of Education has never been better. Chairman Zovich congratulated Dr. Distasio on his retirement.

Comments from BOF – none

Public Comment – Ground Rules reviewed.

\*Robert Ives, 282 Main Street – (a) average citizen and it will take more time over time to understand what is written in here; when is referendum; Chairman Zovich, May 3<sup>rd</sup>; (b) expenditures of cemeteries in town; Chairman Zovich, support 3 cemeteries, reviewed for maintenance and upkeep as well as trust fund for one cemetery which we transfer money. (c) will there be another opportunity for public questions. Chairman Zovich, this is it. (d) not able to absorb information in time presented; Chairman Zovich, if questions about a line item can forward to Comptroller or through the Mayor's office and he will respond.

\*Melanie Church, 328 Main Street – couple issues, town garage, went up and looked and half of that garage done for 170,000 some odd and 2 sections and think 425,000 is outrageous and don't see any designs for it and need way of lowering taxes vs. increasing; people don't have the money and pays have gone down and unemployment rate at 9% and people have taken lesser paying jobs; people do not want to fall behind on their taxes; they do because they cannot afford; this BOF can cut this budget some more and you have to look just like people do with own homes and find way to leave at zero. Mentioned fees and permits, those are down and why; because people cannot afford to do anything so what are we going to do, go to Council mid year and have them raise them. People are trying to live within budgets and find this increase unacceptable. Raises need to come down; public works, largest base of tax on town side, gotta cut. When revenues go down in business they lay off because they don't have money coming in; town revenue goes down, we don't lay off or cut back but we increase. Unless you can come up with description specifically on this 425,000 it should be cut to 170,000 and you do what you do with that amount of money. Vicky Carey addressed estimate of 425,000 was an average from 6 estimate received and used job estimates on her own to estimate some projects; went to site and called other companies and this is an average from 350,000 – 650,000; her concern is safety of public works people as this building is deplorable, unsafe and if anything happens to them she does not want on her head. This will go out to bid and anyone who bids and it comes lower the town can take the bid. It is not up to her. As far as employees in 2007-2008 we had 85 people in town; 2008-09 had 84; 2009-2010 had 83; 2010-0211, 79 and 2011-12 have 76 employees in town.

Tony Lorenzetti stated the building is in dire condition, to look at facility, cracking and structural items; needs to be repaired. Ralph Zovich encouraged all to take ride to highway garage and noted WWII vintage, not reinforced; believe it is

better, less expense and safer to demolish old building and put up new. Bottom table on last page of budget on short term financing and lease reviewed noting \$150,000 is all have budgeted as far as financing in coming year and intend to pay off balance next year. The 425,000 is a not to exceed number.

\*Remie Ferreira – 16 Knight Lane – With regard to the garage, he has toured both buildings. The new that houses trucks and incredible, looks great; other building is a disaster and difference between the two is it houses where people are, offices, locker room and safety issue. It was as if going into a cinderblock construction and extension of additions, amazed, shown problems and issues with one being roof supports are compromised, electrical in building is unsafe; walls are being supported by who knows what. Suggest if you don't believe \$425,000 is not a good price, take a tour of the building. For size of building and commercial construction to be done this amount is not out of whack. Need to replace when we can or an act of god will take it down.

\*Cathy Kosak, 201 Harwinton Avenue – (a) cannot be carte blanche on 425,000; usually have plan and then go get bids; referendum is May 3<sup>rd</sup> and will that meet legal requirements for 30 day legal notice. Chairman Zovich stated we have to publish a one page budget summary after this evening and that one page has to appear 5 business days before. (b) questioned 30 day. Chairman Zovich stated have restriction imposed by Charter and must have budget referendum within 10 business days of hearing.

\*Pattie DeHuff, 20 Lynn Avenue – (a) 425,000 garage. Don't think that anybody is questioning need for that but is how Board of Finance without any documentation chose to accept a figure without any design for a building and seems to put cart before horse and what people are upset about. You have no specs and issue as you as BOF have no documentation as to what building is to look like and no documentation as to quotes. (b) explain pie chart on what kinds of money are in general fund right now. Chairman Zovich stated that was slide to summarize revenues and expenditures and noted fiscal year that just closed booked a deficit and our unassigned (formerly undesignated) fund balance from 2,188,000 to 1,655,000 at start of this fiscal year and that fund balance can fluctuate month to month based upon receipts and grants. Officially number is closed at end of year when do audit. (c) Missed that, thank you. (d) another unassigned category. Chairman Zovich stated Cap Projects fund, special revenue fund; sewer and proprietary fund. Dave Bertnagel, approximately 197,000 but receivable and other items in fund; if to close on cap would have 197,000. (e) level debt service, voters voted down level debt service in June. Chairman Zovich

stated defeated 19.8 million dollar bond authorization and the town attorney stated at last meeting there is no conflict with our financial policy to maintain and has nothing to do with bond resolution. (f) questioning voters voting down level debt service policy. Chairman Zovich stated our Finance Director gets the lowest bonding interest rates available to a town our size noting the Mayor mentioned the award received for comprehensive financial reporting that raised our credit rating and lowered our interest cost. If people in town do not want to fix roads they can vote down 9.8 million bond on May 19<sup>th</sup> and that has nothing to do with this budget. (g) level debt service keeps us at a certain level of debt payment. Chairman Zovich, level debt service is a cap or maximum expenditure; explained. We are under at 3.2 million and saving taxpayers \$100,000 of interest. (h) Your policy does not provide for tax relief and saw projects come off and savings and because of policy you are keeping us at 3.2 million dollars and we don't have to be at that rate and can get our roads fixed. There is not a need to increase our taxes this year and only the BOF policy that is keeping us at a higher rate and not allowing at a lower rate. Since no need to keep at that rate there is no need to raise our taxes. Chairman Zovich asked if people saw details on page 18, reviewed on breakdown of principal and interest payments. Board made decision to take advantage of low interest rates to pay off early to save. Pat Budnick, as far as 425,000 for public works garage, that is not a figure out of the air. The Capital Improvement Committee and Mr. Houle did come to our meeting and that was part of 19.8 bonding that got shut down; and project needs to be done and there may not be a final plan in place but there are preliminary plans of needs and to bring to code. Level debt service, yes, we could pay down and turn around and by something for 1.6 but what about what else needs to be done. We would lose money in the long run and believes it is fiscally sound to do what we are trying to do now.

\*Melanie Church, 328 Main Street – (a) According to Charter it is the Council who approves whether we bond something or not. Chairman Zovich, bonding under Chapter 7 Section 3c of Charter is bonds over 150,000 by definition of bond requires bond authorization by Council; we are giving you a budget showing short term financing and it will go to referendum by legal electors and taxpayers and if approved it becomes a binding legal budget. (b) If fails you can't do it. Chairman Zovich, when buildings are estimated like this school there were no detailed plans and constructions specifications and he attended the first hearing on the school. Even before Dr. Distasio joined us we had discussions and at time number used

was 250 per sq. ft. and number came in at. Construction managers do this all the time.

Chairman Zovich extended a thank you to Mr. Trudeau and Jeff for their help this evening.

With no further comment, Chairman Zovich stated the Public Hearing closed at 8:31 p.m.

Respectfully submitted,

Robin Gudeczauskas  
Recording Secretary