

Town of Plymouth

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Board of Finance

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1. Call Meeting to Order - The Special Meeting of the Town of Plymouth Board of Finance was called to order on Thursday, November 29, 2012 at 7:07 p.m. by Chairman Ralph Zovich in the Assembly Room, Plymouth Town Hall. Members in attendance: Pat Budnick, Peter Cook, Mike Drozdick, Ralph Zovich. Also present: David Bertnagel, Director of Finance; Robin Gudeczauskas, Recording Secretary; Ted Scheidel, Administrative Assistant to the Mayor. Excused absent: Vicky Carey, Dan Murray.
2. Pledge of Allegiance
3. Mayor's Report – Chairman Zovich read into record a report submitted by Mayor Festa. Discussion held on status of waterwheel with update from Dave Bertnagel on grant and funding status noting Historic Properties handles the waterwheel project.
4. Discuss & take action on closing of all municipal funds for FY 2011-12:
 - a. Presentation of independent auditor's report by representatives of Blum Shapiro. Chairman Zovich stated auditors were set to come to our regular meeting which was cancelled and in Rhode Island today and will come if possible. Will come back to this item later in meeting.
 - b. Discuss & take action on acceptance of Comprehensive Annual Financial Report.
 - c. Follow-up on the review of encumbrances carried over into current budget.

Chairman Zovich reviewed fire marshal vehicle noting surplus in fire department budget reviewing variances from printout received from D. Bertnagel with total of \$12,655 surplus and fire marshal's budget had \$2331 surplus. Discussion held. D. Bertnagel noted savings from air packs purchase from timeframe of purchase did not need maintenance contract for the one year but will be back in next budget; education line had savings but depends on recruitment from one year to next. Melanie Church, 328 Main Street, questioned annual report and what vehicle grant is referenced. D. Bertnagel noted \$80,000 is in capital non recurring and by Charter have 3 years; process reviewed.
5. Discuss & take action on following items in current FY2012-13 General Fund budget:
 - a. Status of delinquent tax collections and updates (if any) to Tax Sale List – reviewed noting 1-1/4% more than last year in collections and Friday ends November stating about \$12,000 over last year. Jasper property foreclosed by sale by 1/15/2013 with minimum starting bid over \$600,000 with property assessed at just under \$2 million. Structus is progressing through court system and do have interested parties in railroad spur. Have six properties auctioning on 12/19/2012 and then all foreclosures are done from dead land. Review held of collection process and payment status of delinquencies. Auto collections have increased and have made a huge difference.
 - b. Recommended transfers between accounts, if req'd. Transfer request distributed, read into record and reviewed by D. Bertnagel noting total transfer of \$44,615 with [balance in Contingency after transfer will be \$15,960] including \$20,044 due to hurricane; \$10,000 from Wage/Benefits Adjustment to Human Resources for overage due to employee negotiations, union settlement and grievances and have spent \$8500

of the \$10,000 requested; \$2000 for Building Official. \$8500 for one employee union to be settled and may have to make additional transfer from Wage account.

Discussion held on waiting until end of year to make transfer when have total amount of overtime; Board requested to D. Bertnagel that Human Resources stay within budget for remainder of the year. Discussion held on accepting transfers without the Human Resources adjustment making total \$34,615 and leaving balance of \$15,960 in Contingency Account. D. Bertnagel clarified Emergency Management Storm Sandy costs that are not expected to be reimbursed but are tracking all costs. Discussion held on a storm being a storm and all costs go against regular budget. Building Official overtime is due to blight official related evictions, attendance at commission/board meetings, etc. and \$623.65 over budget. Discussion held on leaving over and relay there is no overtime in budget and when over, to give details to substantiate meetings attending.

MOTION: To approve requested transfers of \$32,615 with no change from Board of Finance Contingency or the \$12,000 from Wage Adjustment by Pat Budnick; second Mike Drozdick. Discussion: Concern on Emergency Management; Chairman Zovich stated this is an accounting process and if get reimbursed we will restore funds; preference to take out of public works for their portion under public works. Chairman Zovich stated if the Board approves the motion there are two understandings (a) Human Resources Director has to live within his budget and (b) same for the Building Inspector. Vote: Mike Drozdick, yes; Pat Budnick, yes; Peter Cook, yes and motion carrier unanimously.

c. Update on implementation of cost savings; i.e. OT, staffing, vehicle sales, etc. Chairman Zovich stated (a) the town is suppose to get notification of award on hybrid vehicles and will then surplus Crown Victoria's. D. Bertnagel reviewed options of direct sale, consortium, sell outright or trade in noting no book value left to the town but there are 3-5 people interested in purchasing these vehicles. Anything the town gets will be capital gain; can surplus two but will wait until we get other vehicles in before surplus remaining 3. Melanie Church, 328 Main Street, vehicles are going sky high as wholesalers are buying and shipping out of the country. Get rid of them all including trucks at highway garage that have been stripped and one is #39. (b) Staffing issues and is there need for additional help. D. Bertnagel stated everyone is holding their own and he does a weekly analysis and everyone within budget. Discussion held.

6. Continue discussion on Finance Director's proposal regarding long-term funding plan to address unfunded pension liabilities and post-employment benefits.
 - a. Comparison of 10 yr, 17 yr vs. 20 yr costs? Spreadsheet prepared by D. Bertnagel distributed and reviewed noting 10 year and 17 year costs stating inflation rate cannot be predicted nor cost in future dollar for dollar; review of items from actuaries at end of fiscal year; pension plan has a few people still in it; review of yearly contributions by percentage of salaries and lower pool of people in that plan. Plan reviewed noting pension obligations, other post employment pensions; compensated absences, accumulated sick and vacation time. This includes town and Board of Education; discussion held.
 - b. Need for Financial Policy statement and feedback from Pension Oversight Board. Need 1-2 page outline stating purpose of why we want to do this, details of proposal, mechanism for budget noting right now compensated absences are not funded; this is for known contractual obligations and paying existing liabilities obligated for. Dave will create draft for 20 year plan.

MOTION: For a 5 minute recess at 8:55 p.m. by Pat Budnick; second Mike Drozdick and the vote unanimous.

Meeting called back to order at 9:00 p.m. noting will now go back to item 4b.

4b. Discuss & take action on acceptance of Comprehensive Annual Financial Report Discussion held on exhibits in Draft Comprehensive Annual Report; capital assets reviewed noting all town owned assets to have reappraisal which was last done in 2001 (capital inventory). Last year total \$184,560,217, added \$2,959,177 (purchase of reservoir, fire truck) with decreases of \$218,572 from old cars, machinery and equipment; depreciation reviewed. Further discussion on statistical table, tax collections, debt table, demographics, principal employers, general fund balance sheet including unassigned fund balance noting capital and non recurring are one time expenses; General fund and fund balance; statement of cash, cash flow and pension fund. Discussion held on moving Subdivision Engineering into Economic Development. Discussion held on previous Management Letter including department narratives with update on 4 minor areas from last year: education and cap on cash noting now on accrual basis; inter-fund balance have come down and are working on that; bank reconciliations are all done; access to whole system because we are a small town and did limit access and good. We cannot continue this item until next month.

MOTION: To accept the Financial Report for fiscal year 2011-2012 by Pat Budnick; second Mike Drozdick. Discussion: none. Vote: unanimous.

Dave Bertnagel stated auditors did a phenomenal job; their senior auditor moved onto another firm. Chairman Zovich stated we need Nicoletta here to answer Board questions but do appreciate work they have done. Will follow up on final acceptance and would like to discuss recommendations of management letter in December.

7. Discuss and take action on BOF meeting dates for 2013 – reviewed.

MOTION: To accept this list as presented as they are the most perfect dates ever, by Peter Cook; second Pat Budnick and the vote unanimous.

8. Finance Director's Report – (a) Projected project report distributed and reviewed on bonding to capital improvements and based upon what was recommended for budgets. This will become a monthly report from Dave. (b) proposal to reorganize segment of public works/public works coordinator is with Town Council in discussion phase. Discussion held. Another ordinance that may be coming is for a Public Works Commission which has to go to a public hearing.

9. Public Input

a. Melanie church, 328 Main Street, (a) referenced page 34 of the Annual Report and all unencumbered appropriations lapse at year end appears capital project Money that came for the police cars can encumber? Dave Bertnagel stated it was encumbered as appropriations stay in place in capital nonrecurring for 3 years. (b) Called OPM and after one year if not expended it cannot be encumbered. Dave Bertnagel stated that would be correct if in the General Fund but this was in the Capital Fund which is a multi-year fund. Chairman Zovich stated money was reserved; discussion held on police car replacement program; capital projects do not lapse. (c) page 15, after first full paragraph, sections read, stating Christmas tree collection was complete then went on to equipment replacement program stating she does not know of them. D. Bertnagel responded that was the small equipment account and trailer was part of that. Mrs. Church stated replacement to her is to get rid of

something because we have other and do things really need to be replaced. She stated there are 14 chainsaws and they should utilize what they got, keep adding and not using. D. Bertnagel stated he is working with the Board of Education and will be doing a full inventory of the entire town and will be preparing a Capital Equipment Inventory; done by an independent party.

10. Correspondence

- a. Sinking Fund Agreement has been signed by the Board of Education and the original will be given for filing with the Town Clerk.

11. Board Member Comments – none.

12. Adjournment

MOTION: To adjourn by Peter Cook; second Pat Budnick and the vote unanimous.

Meeting adjourned at 10:25 p.m.

Respectfully submitted,

Robin Gudczauskas
Recording Secretary