

## **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 by Chairman Ralph Zovich on Thursday, December 20, 2012 at 7:00 p.m. in the Assembly Room, Plymouth Town Hall. Members in attendance: Pat Budnick, Vicky Carey, Mike Drozdick, Ralph Zovich. Also present: Mayor Vincent Festa; William Bellotti, Human Resources; Dave Bertnagel, Director of Finance; Robin Gudczauskas, Recording Secretary. Excused absent: Dan Murray.

2. Pledge of Allegiance

3. Board of education update

In attendance: Eleanor Cruz, Superintendent; Robert Parenti, Director of Pupil Services and Special Education; Michael Santogatta, Business Manager. Mr. Santogatta stated the budget looks fine; utilities and payroll are good; few repairs in spring; Special Education out placement and transportation are a bit heavy and activity going on but not jeopardizing or any problems in operating budget. Their Board is moving along in budget development for 2013-2014. Chairman Zovich (a) relayed budget process by Charter stating on or before April 23rd we have a public hearing on the budget; (b) questioned out placement. Rob Parenti stated he is moving students in district who were in outplacement facilities; there are a few kids left in residential facilities and put back in system and some were outplaced. (c) the BOF supports the burden of proof change. Rob Parenti noted education reform bill and the Governor created a committee to take care of red tape and were looking at burden of proof. Mr. Santogatta noted the BOE has met with Betts and Welch to discuss issues on magnet school transportation. Ms. Cruz stated she would like to set up a legislative breakfast. Mr. Parenti stated he has a meeting with Education Connection in early January and topics with himself and other directors will be discussed to regionalize Special Ed services. (d) BOE bid on bus contract (s). Mr. Santogatta explained tri town arrangement for three towns, special education bid out of district and then regular education and in-house special education transportation went out to bid. They received 4 bids for regular and 5 for out of district noting on December 10<sup>th</sup> both Wolcott and Thomaston ratified and then Plymouth on December 12. Regular and in house special education transportation went to Worhunsy and special education out of district to Cardinal Transportation. Impact to Plymouth next year July 1 in savings to the town for regular transportation is \$90,000; savings for special education out of district is \$50,000-60,000; the second year, regular transportation savings is 50,000 and out of district, compared to what we are doing now \$75,000 compared to this year. A caveat in the bid document is transportation between three towns is free. Discussion held. (e) Dave went through preliminary numbers last year and decline in proprietary health fund due to high claims and long term illness. Mr. Santogatta stated the first half of this year, we had

a few bad months, a decent month and have added funds to the next budget which is before the Superintendent and Board of Education.

4. Approve minutes of October 11, 2012 and November 29, 2012

**MOTION:** To accept the minutes of October 11, 2012 and November 29, 2012 as written by Peter Cook; second Vicky Carey. Discussion: Chairman Zovich noted that at October meeting a board member comment on money spent and that was revisited on November 29. Vote: unanimous.

5. Mayor's Report – apologized for overage in salary account for Human Resources and will review/discuss further in Executive Session. Noted outside room on wall is

a. Certificate of Achievement ND RISK Manager from CIRMA, we were awarded distinction and one of the highest from CIRMA due to financial aspects and how the town handed within last 4 budgets, partnership with BOE and true to cause to present decent, honest and factual budgets. He stated one can sit and listen to rumors and fact is fact and truth is truth and the figures this Board works with are proof. He read from plaque of Certificate of Achievement in financial reporting for year ended June 30, 2011 stating this is the second Certificate of Achievement awarded, the town received two years in a row from work done by our Director of Finance. David has done a marvelous job. Have negotiated contract with Public Works and ratified and last contract waiting is town hall employees. Have been approach by Wolcott and Thomaston on dog pound issue and other things going on as well with other communities. Chairman Zovich thanked and recognized Dave for all his hard work and we have accomplished a lot during his tenure. Mayor Festa stated he is looking at dispatching units and noted the state is pushing on geographic moves; update given and discussion held on working with surrounding towns.

6. Discuss and take action of closing of all municipal funds for FY 2011-12:

a. Presentation of independent auditors report by representatives of Blum Shapiro  
Nikoleta McTighe, Blum Shapiro, gave insight into findings of final financial report; distributed to board. Process reviewed stating ED01 will be issued, and will also issue management advisory letter; letter in draft format to be discussed. They have issued a communication to the BOF, 2 page letter which reviews process of audit and auditors responsibility. They did not have any signification deficiencies or material weaknesses; management advisory comments are given to the town to improve practices, not that they found any problems with internal controls but give recommendations on how to make processes better. All numbers in report are numbers reported and no disagreements with management but would like to see Dave here full time. Review of draft management letter, changed slightly from prior year, reviewed stating first comment repeated from prior year and this is the only way for reconciliation of the fund and hopefully funds pay themselves down soon; added two more comments, reviewed noting one is pension trust fund and town reviews monthly which has been done year end but needs to be recorded on monthly basis (recommendations reviewed). Performance bonds, discussion held. Consolidating cash accounts – have been and nothing new to report. The more sophisticated accounting system a town has the less cash accounts it will have. Discussion held and at some point the town should get the same financial system as the

Board of Education. Account policies and procedures manual is a work in progress. Tax collector – reviewed noting need to formalize procedures. Dave Bertnagel noted they have implemented cash receipt system. Fraud Risk Assessment - audit of all physical assets and inventory will be done this year. Dave Bertnagel noted Board of Education has their system the town is looking at. Pat Budnick, noted our Charter requires deadline of Oct 15<sup>th</sup>. Nikoleta stated, again, Dave being here full time would be helpful. Discussion held on outside information also that needs to be received and can hold up report. Nikoleta stated the Town is in compliance with all latest GASb standards.

b. Discuss & take action on acceptance of Comprehensive Annual Financial Report  
**MOTION:** To accept the Comprehensive Annual Financial Report as presented by Vicky Carey; second Pat Budnick. Discussion: Complete final copy and draft of management letter will come on letterhead. Chairman Zovich noted this is 4 years in a row and submitted to OPM on time. Vote: unanimous.

7. 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  
Chairman Zovich stated we have printout from Ted dated 11/30/2012 noting 53.75% of budget; only thing new is a faxed letter from Attorney Sal Vitrano to Ted, read into record, re Order of Court on Town of Plymouth v Jasper Associates. Chairman Zovich stated he spoke to Attorney Vitrano and does not see any issues but did point out that Mr. LeBoff has up until very day of auction to pay taxes in full and save his property. Also, per Ted, \$266,235 in supplemental motor vehicle assessment to date have been billed out. Also, Attorney Vitrano stated on Structus, at this point no movement.

b. Recommended transfers between accounts, if req'd.  
Dave Bertnagel stated he has no transfers this month. Chairman Zovich reviewed Town Council approval on Public Works contract settled. Have expenditure report, distributed and overview given. Chairman Zovich noted on first page, as of today, currently expended \$23,140 out of \$40,000 for Human Resources noting Bill has documented information per request for the BOF review. Dave Bertnagel stated he will have 6 month proforma ready for January.

c. Update on implementation of cost savings; i.e. OT, staffing, vehicles sales, etc.  
Dave Bertnagel stated as of the first of the year will hopefully have contract for cars.

8. Continue discussion on Finance Director's proposal regarding long-term funding plan  
a. Final acceptance of 20-yr payment plan. Waiting for full board attendance.

b. Draft Financial Policy statement and obtain feedback from Pension Oversight Bd.  
Dave Bertnagel stated he is setting meeting up with Pension Advisory Board and will have meeting second week of January.

9. Discuss & take action on funding for interim Public Works Coordinator position if req'd (contract approved by Town Council)  
Chairman Zovich stated at this time Council approved final contract for coordinator and does not have final job description but does have a draft. Vicky Carey stated she would

like to table until next month; Chairman Zovich noted vacancies in public works department and they are way under in salary line item. Mayor Festa has signed contract and to bring on board for one year interim position. Discussion held. Dave Bertnagel will build separate code for individual to charge to and will transfer from that department into line item. One year contract. Chairman Zovich read duties and responsibilities into record noting supervisory position. Mayor Festa stated Council asked that he report to the Mayor as well. Discussion held. Dave Bertnagel noted job description was a draft copy and has been modified; Coordinator goes through the Mayor and is doing things that need to be done. One year contract at \$25 per hour with cap of \$52,000. Mayor Festa stated there is a lot of activity within this department and moving forward with public works commission coming aboard; wealth of knowledge. Idea is that we need facilities coordinator and coordinate with BOE to do something with custodial staff, BOE is not unionized and we are at stalemate. Discussion held. Melanie Church, 328 Main Street, regarding the python, better check and she talked with Bristol as they have all kinds of trouble and are using 3-4 guys with it.

**MOTION:** to take a 5 minute break at 8:40 by Vicky Carey; second Peter Cook and the vote unanimous.

Meeting called back to order at 8:45 p.m.

#### 10. Executive Session

Review contract negotiations & pending litigation with Mayor & HR Director

**MOTION:** To go into executive session inviting the Mayor, Human Resources Director and the Director of Finance at 8:46 p.m. by Peter Cook; second Mike Drozdick and the vote unanimous.

Out of executive session and meeting called back to order at 9:36 p.m.

#### 11. Discuss & take action on item(s) from Executive Session if req'd.

No action items.

Chairman Zovich thanked Mr. Bellotti and the Mayor.

12. Finance Director's Report – Happy holidays, Merry Christmas. Have no report. Vicky Carey requested next month the Finance Director's report will consolidate other items from agenda.

#### 13. Public Input

a. Melanie Church, 328 Main Street, (a) distributed paper stating she went to Wolcott and public works which includes parks/rec and sewer dept with 20 employees total. Have 94 miles of road; 14 public works employees; 3 parks/rec; 3 sewer and water. Their total budget is 1,775,530. She reviewed breakdown; roads, salt equipment and supplies which is zero because they didn't use any last year as they purchased from previous year. No miscellaneous equipment. Equipment maintenance, park/rec spent 10,500. They even have operating reserve and sees accountability and do not see with ours. For their overtime figured at 95,000 and we use more than that. This might be a good example of

one to take a look at and plan a budget like this. She met with them and amazed by this and brought to your attention. They have more roads than we do. Chairman Zovich stated we need to look at what is missing and what is extra. (b) Also, 39,000 for surveillance cameras and no bidding; she was out at highway department and from person doing it is what he told someone. There is one for transfer station, highway dept. and garage. Dave Bertnagel noted that is a two year period and cumulative. (c) do we have lead man in highway department; Dave Bertnagel, they assign someone to that as part of contract. (d) how many in highway garage; Dave Bertnagel, lead mechanic and mechanic budgeted for and now someone in chief mechanic position and other position has not been filled. (e) she will be getting more budgets from other towns to compare because our budget is high and need to cut back. Will it be an independent person or will have company to inventory audit. Dave Bertnagel stated the BOE has independent company and no affiliation with town, reviewed, and he is gathering information on cost.

14. Correspondence – Chairman Zovich stated there is no external correspondence but we do have a copy of our operational agreement between the BOF and BOE re capital reserve fund.

15. Board Member Comments

Merry Christmas, Happy and healthy New Year

16. Adjournment

**MOTION:** To adjourn by Mike Drozdick; second Pat Budnick and the vote unanimous. Meeting adjourned at 9:50 p.m.

Respectfully submitted,

Robin Gudeczauskas  
Recording Secretary