

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 at 7:02 p.m. on Thursday, January 17, 2013 in the Assembly Room, Plymouth Town Hall by Chairman Ralph Zovich. Members in attendance: Pat Budnick, Vicky Carey, Peter Cook, Mike Drozdick, Dan Murray, Ralph Zovich. Also present: Dave Bertnagel, Director of Finance; Ana LeGassey, Tax Collector; DiAnna Schenkel, Council Liaison; Robin Gudeczauskas, Recording Secretary.

2. Pledge of Allegiance

3. Board of Education update – Eleanor Cruz, Superintendent; Mike Santogatta, Business Manager; Robert Parenti, Director of Special Education – Mike Santogatta stated they are half way through the year and everything looks good. Plowing, the town is great and cooperation is wonderful. Working on next year's budget and will be presented to the BOE Finance Subcommittee; 6 pm on Thursday, January 23rd. Chairman Zovich asked for update on finalized bus contract approved by BOE; Mike confirmed 5 year contracts issued and 3 towns ratified for regular education and separate for out of district special education transportation. Impact to BOE is reduction in regular ed transportation of \$90,000 and reduction in special education out of district of \$50,000 from what currently paying. (b) \$120,000 from general assembly; Mike Santogatta stated salary increase from this years' payroll, teacher increase is about \$322,000 and 120,000 BOE retained a math specialist for elementary which was 80,000 and balance put into medical reserve; discussion held. (c) Mr. Parenti status of in district transfers of students into program; Rob Parenti stated no major impact on budget as have factored those kids in budget; all costs within budget.

4. Approve Minutes:

a. Regular Meeting Dec. 20, 2012

MOTION: To accept the Regular Meeting Minutes of December 20, 2012 by Pat Budnick; second Vicky Carey. Discussion: Chairman Zovich stated clarification on item 9 funding for interim public works coordinator, first para, second sentence and the reason he did not entertain a motion to table was because the BOF was not required to take any action on that item. Vote: unanimous with Dan Murray abstaining.

5. Mayor's Report – ChairmnZovich read written report from Mayor Festa into record.

6. Discuss & take action on auditor's management recommendations from Blum Shapiro. Chairman Zovich referenced draft management letter for review of issues discussed. Dave Bertnagel stated they have gone through procedure and letter issued and have no findings in audit but recommendation for improvements or enhancements. Town side few areas and have cleaned up substantially, due to/due from and bonding authorized last year is taking place and state grants coming in. Eli Terry and Fisher are closing out and hope by end of this fiscal year; THS project update given noting projects stay open until final letter received from the State. Pension trust fund for Town and BOE; we are now getting monthly statements vs. quarterly. Performance bonds from public works and planning/zoning; we are custodian for those and all administered through the finance office; meet regularly, update given. Consolidation of cash accounts and working on this talking with several local banks. Accounting policies and procedures and working with Pat this month. Tax collector's office; have instituted a new cash receipt policy and will

have training for all departments on that. Chairman Zovich noted we will be performing a complete independent physical inventory which will then have a policy on sale, disposition, acquisition of assets. Dave noted he spoke with BOE and will be getting cost of what they pay. Dave stated the management letter is already in the clerk's office. Patti DeHuff, 20 Lynn Avenue, comprehensive annual report from last year and is on line; management letter is not on line and that she got from town hall and would like to request when annual report is on line that management letter is put with it to. Chairman Zovich said that can be done and Dave will take care of it.

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 – Ana LeGassey, Tax Collector, stated she will not elaborate any more on two properties because they are in court and what the mayor said in his report is what is going on. Town of Wolcott, marshal got ahold of us and asked if we wanted to go in with Great Hills property and agreed; will collect about \$50,000 but will have fee for marshal. Cannot give collections until January is over but now is 75%. Closed high for December on back taxes. Motor vehicle delinquent taxes, tackling that and have asked to start going after some sewer. Update given and discussed. Chairman Zovich asked if in March/April he can get together with her, Khara and assessor and talk about Brandon Road developer on taxing building lots that are not approved as building lots. Tax sales nothing coming up yet, did one in December for a few properties. Discussion held on delinquent list being updated. Melanie Church, 328 Main Street (a) now are you finally going to be going after people that are 17,000 in homes or trailers, Jensen's as you are suppose to go within price range of back taxes; Ana LeGassey, we have addressed a lot of those and people are on monthly payments and list was 600-700 and we have come down to 200; the public will not see arrangements with payment plans. There has been communication with all of them. (b) Ralph said at last time Ted came that if missing payments they had to be gone after; Ana stated that depends on whether with lawyer or her office. (c) Chidsey Terrace and 17,000 and also behind on sewer. Chairman Zovich stated Chidsey is in probate court. (d) Jensen's mobile homes, and those depreciate very quickly and if get to be large we will lose; Blueberry Lane is one. Chairman Zovich reviewed approved approach the Board asked Ana to do; list by amount and age and would be 16 years old, then 14, then 10, then 9 years old and work way down. The ones released to lawyers were at Ana's discretion. List will be updated in spring. Ana LeGassey stated some of the smaller ones have been tackled and have addressed just about everyone on list. Chairman Zovich asked if assistance is needed; Ana stated, yes, she does need assistance and a part time person would be beneficial.

b. Recommended transfers between accounts, if req'd. – no transfers.

Dave Bertnagel gave update on current budget; distributed to board and reviewed noting all budgets coming in under budget; 003 under general government. Insurance premiums are paid up front and most in two installments; heart and hypertension, budget has to stay and we have claim going back 25 years which may have to be liable for and stipulation of settlement agreement back 30 years and now put on notice and may become an operating cost each year. Emergency Management did have transfer for budget. State of CT received notice for emergency management and Litchfield County declared and gave us preparation side, and potentially get about 40-50,000 back. Snow removal; one delivery of sand/salt; noting even though we have budget all towns have certain number of material they have to buy due to consortium price. Other Public Buildings, Dave commented on MSS per request of Chairman stating have had several proposals come through noting space needs and looking to see if any possibilities or should retain any

properties. State is coming through with money for interrogation room and videotaping and money for purchasing equipment but we have to provide a sound proof room. Juvenile detention is required and we have not been compliant and coming for forefront, no monies out there to do it. Vicky noted Municipal Facility Commission decided to sell building across the way and members need to take another vote and go through process again. Interrogation room needs to go in our budget because by November/December of this year it needs to be done. Discussion held. Ana LeGassey, 110 North Main Street, building across the street, has anyone discussed renovation for police. DiAnna Schenkel, Council Liaison, stated Municipal Facilities Commission has to decide if rescinding their original decision before anyone talks about moving over there. Further review of proforma statement held. Contract signed with Bristol Resource Recovery and costs have gone down. Dave stated he will have Ambulance Corps financials next month. Dave noted utilities for next year's budget will need more for hydrants; cost is \$2200 per hydrant per year for maintenance cost per Dept of Public Utility Control who has put in for a 5-7% increase.

8. Continue discussion on Finance Director's proposal regarding long-term funding plan to address unfunded pension liabilities and post-employment benefits.

a. Review draft of Financial Policy statement for 20 yr. payment plan. – Chairman Zovich read into record stating this policy is not binding on any future BOF or Town Council should extraordinary budgetary emergencies arise and based on present value; payment plan is based on projections at this point with no interest compounded. Discussion for Section 4.1 stating it will be updated and reviewed yearly by the BOF. He noted Pension Oversight Board should review and give input before going to the Town Council. Discussion held. Section 5 reference budget approval process pursuant to Town Charter. Pattie DeHuff, explain Peter's comment; Peter Cook stated this line item will not change because funding mechanism is flat.

9. Discuss issues/concerns and strategy for upcoming FY2013-14 General Fund budget. Ralph noted Dave touched on a few things already and anything going into budget session. Dave stated dept. meeting two weeks ago, reviewed budget process, guidance that dept. budgets up no more than 2% noting there will be situations where out of their control; health care costs look favorable and past several years have kept under 1% but cannot guarantee it will stay under 1%; noting all health plans pay fee toward affordable health care act, reviewed; no significant issues to look at now; concern on reductions in state aid; governor estimated budget comes out feb 3rd and baseline to follow.

10. Update on status of Capital Projects; School Facilities Project, Road & Infrastructure project, Fall Mtn., Water Wheel project, etc. and amount of current bond issuance. School facilities complete; reimbursement by end of this year to close out Eli Terry and Fisher and 2014 for high school. Road and infrastructure project, Dave stated contract awarded for North Main Street bridge. Waterwheel project, hopefully have resolved and language changed which will go through bond commission. Fall Mountain, waiting for reimbursement for Town Line Road bridge project. Bids for Seymour Road; Vicky stated on Bemis Street have started talking to engineering firms for rfp; micro surfacing discussions; Seymour Road have discussed; town garage framing is about ¾ way done and work getting done. Capital Improvements Committee keeping tight reign and doing good job.

11. Finance Director's Report – article re corporate benefit consultants and lawsuit filed against the town, reviewed. Last month a discussion was held on another town's budget

regarding highway department and have contacted that town. The information given to this Board was completely wrong information. Their budget is roughly a 25 page document and we received one page. They allocate all motor fuels to every department in town; they did have some costs we do not have in our budget and their public works budget is a few hundred thousand dollars higher. He noted we are a cost center budget and the other town has an allocation center. Chairman Zovich stated we need to look at our new Public Works Commission who will start to look at the budget and next year participate in preparation and we will be happy to meet with them. Chairman Zovich asked Dave for update on miscommunication about our financial award and last month the Mayor reported we received an award for Certificate of Achievement in Financial Reporting and annual report for 2011 and we can apply for 2012 and asked Dave to clarify eligibility criteria for qualifications and what go through to apply. Dave stated he was not in attendance and it was insinuated he bought the award and takes personal offense because we made great strides to improve this community. One thing we have to produce a document and not something you pay someone to do and something produced in house that takes research, time, effort, organization items, charts. We do have to be a member to the Government Finance Officers Association and 30,000 agencies belong to it; there is annual fee and have belonged to it for 10 years; they are a nonprofit organization and when we submit we pay a fee structure, reviewed. When pay fee you do not just get award but there is a checklist of 30 items. The information displayed at the Council meeting was segmented, the judging criteria was not given and usually 3-6 months before we get notified if made skills set. The first year applied we did not get it as we did not meet criteria and report received back listed how to improve. We improved and met national standards. Chairman Zovich noted not all towns in CT meet standards; Dave works with auditors and the bond rating agencies raised our credit rating and would not do that if we were financial disaster. Dave noted if the award meant nothing it would be not recognized in bond reports. A few pages were passed out at the Town Council meeting but there were 30-40 pages missing that they did not hand out and misrepresentation. Ralph stated he would like Dave to apply this year on behalf of the Town of Plymouth. Pat Budnick stated it is an annual fee and unfortunate people in the public are not happy town is recognized. Peter Cook asked for update on Iseli and the 100,000; Dave Bertnagel responded Iseli appealed and stated all personal property was taken out and settled for 958,000 for real estate and land; updated given.

12. Public Input

a. Melanie Church, 328 Main Street, (a) on capitals would like to see bids come in if they want anything over 10,000 and need 3 estimates (b) would also like to see miscellaneous equipment in public works be taken out as listed like that as too general and maybe decrease budget by 70,000; (c) like to see less of 10 wheel trucks as you pay for more tires every year, upkeep and extra gas; like to see go back to 6 or smaller dump trucks as logically not hauling that much salt or sand anymore; (d) another question on how many people are mechanics in maintenance garage; Dave Bertnagel stated 2 in budget and one permanently filled and have someone else in there training and looking at consolidating but in union negotiations; (e) for cost savings would like to bring that up and at most towns there is only one mechanic which would save 50,000-60,000 per year; like to see more done in house as far as repairs for cost savings on equipment. Complaining they do not have enough work and hearing this from other employees. She noted Thomaston and Wolcott only has one and most towns only have one mechanic. We already have an extra person plowing.

13. Correspondence

a. Superintendent Cruz memo to BOE, BOF, Mayor, Town Council with budget

workshop schedule with first one next Wednesday at Central Office and second one Tuesday, Feb. 5th and then February 20th as tentative date. Ralph stated our joint meeting is normally mid March.

14. Board Member Comments

- a. Vicky Carey - did attend North Street Reservoir meeting and Parks and Rec will put figure in capitals; a lot of things missing and committee working on parts of recreation piece as to what can and cannot be done in that conservation area. DEEP has put very strict guidelines on what can/cannot be done and a plan still needs to be prepared and presented to Town Council.
- b. Ralph reminded everyone the next meeting is 4th Thursday in February on the 28th in senior lounge.

15. Adjournment

MOTION: To adjourn by Vicky Carey; second Peter Cook and the vote unanimous.
Meeting adjourned at 9:36 p.m.

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary