

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, July 18, 2013 by Chairman Ralph Zovich at 7:02 p.m. in the Assembly Room, Plymouth Town Hall. Members in attendance: Pat Budnick, Vicky Carey, Peter Cook, Mike Drozdick, Ralph Zovich. Also present: David Bertnagel, Director of Finance; Robin Gudeczauskas, Recording Secretary; Chief Karen Krasicky; Rodney Houle, Chairman of Capital Improvements Committee.

2. Pledge of Allegiance

3. Board of Education update – not in attendance

4. Approve Minutes:

a. June 20, 2013

MOTION: To approve the Minutes of June 20, 2013 by Pat Budnick; second Mike Drozdick. Discussion: none. Vote: unanimous.

5. Mayor's Report – Dave Bertnagel reported for the Mayor that there is positive movement in the industrial park; 2 businesses looking for expansions are coming before tax abatement and a new business is coming into the park. There are new businesses opening on Main Street and the Mayor is also speaking with individuals looking for space in downtown area. He will report in September on union contracts.

6. Discuss & take action on closing of all Town Funds for FY2012-13:

a. Trial balance of accounts and preliminary estimate of deficit or surplus, including encumbrances as necessary; preparations for independent audit by Blum Shapiro.

Dave Bertnagel reviewed funds of the town, 2 major in general fund, WPCA and Capital Projects. General fund is running surplus for end of FY June 30, 2013 reminding the Board there is a 60 day rollover, reviewed. Tax collections have far exceeded expectations and Ana is to be commended for this and has done a tremendous job. \$168,000 short of budget and first time in 14 years that the town has come that close; grand list reviewed; intergovernmental, we are getting grant but will not have numbers until August 15th and feel will exceed sales tax revenue estimate; will not use fund balance for balancing of end of year budget; expenditures are \$115,000 below budget and we have not gone over budget for the past 7 years; will need to do minor transfers. BOE is the only group that carries over encumbrances. Dave read memo from Michael Santogatta, Business Manager for the BOE, into record dated July 17, 2013 re fiscal year surplus in the amount of 112,266.96 surplus to general fund requesting \$72,000 be applied to the Capital Reserve Sinking Fund; review of guidelines of capital reserve sinking fund and with this transfer it will be fully funded.

MOTION: To allow the Director of Finance to do a transfer of \$72,000 of BOE surplus into the Capital Reserve Sinking Fund by Pat Budnick; second Vicky Carey. Discussion: Chairman Zovich asked (a) if there are any recommendations to use money; Dave Bertnagel stated no but reviewed boiler issue stating the BOE took money out of operating budget. (b) Noted air conditioning issue at high school and asked about status; Dave stated they are looking at warranties. Roll call: Mike Drozdick, yes; Pat Budnick, yes; Peter Cook, yes; Vicky Carey, yes. Motion carries unanimously.

Dave Bertnagel stated he is looking at projected surplus of \$20,000-\$50,000 plus the \$40,000 from BOE; working with FEMA on costs of school roofs and have 99% chance of getting money, in appeal process and they will reimburse 75% of costs; WPCA will have surplus of approximately \$50,000 in operating fund and are currently going through upgrades, are self sufficient and their budget includes payment of debt service.

Ambulance Corps is working on daytime coverage contract and the town assists them but is not involved in day to day operations. They have gone out to competitive bid for daytime contract and changing vendor from Bristol Hospital EMS, reviewed; they are looking at purchasing another vehicle this year and on good financial terms. They will be forwarding their financial reports. Long term concern is Medicare reimbursement rates, reviewed. Our auditors are in contact with them as well.

Audit preparations – Nikoleta will be here in September; have started preliminary work. Chairman Zovich stated the auditors always ask if any members of the board have firsthand knowledge of fraud, theft or misappropriation of funds and can forward to Dave or call them directly. Chairman Zovich would like preliminary draft of report by October 15th. Discussion held.

7. Present preliminary draft of Accounting Policies & Procedures manual; take voluntary assignments by section for board member review.

D. Bertnagel distributed “draft” and when complete will be 371 pages; brief overview Given noting purchasing guidelines of the town and the Council will need to set ordinance and adopt policy. Discussion held. Information technologies will be from Rich Trudeau and when received will be forwarded to the board. Chairman Zovich stated need to add in appendix, “financial policy statements” that were adopted with capital improvements, level debt, etc. D. Bertnagel stated item before Council is the Personnel Policies and Procedures manual, worked on by the Human Resources Manager, and tabled it last month. Assignment for review of Draft by Section: A, Ralph; B, Pat; C, Peter; E, Ralph; F, Mike; G, Peter; H and I, Vicky; J and K, Dan; Appendix, Ralph.

8. Discuss & take action on a special appropriation request approved by Town Council on July 9, 2013 to wit: “**appropriate \$27,960 plus a 10% contingency allowance for a total amount not to exceed \$30,750 for the reconstruction work of the Police Interrogation Room**”; said appropriation shall be a one-time increase to Capital Outlays & Non-Recurring Expenditures within the General Fund budget.

Chairman Zovich welcomed Chief Krasicky and Rodney House, Capital Improvements Chairman. Rodney Houle, 16 Frankie Lane, Capital Improvements Chair summarized steps to being here and by January 1st need interrogation room in the police department stating Plymouth is the only town in this district without one; the State has a grant for \$8000 worth of technology if we have interrogation room ready by January 1st and we get this money and it will then be in compliance. The state attorney has been here, spoke with council; the floor plan has been designed to meet needs of the police department and obtained an estimate from local contractor, Mark Sekorski. To make January 1st deadline need space, stating there is not enough space in town hall; trying to keep within police department structure/boundaries. Plan reviewed and this will comply with all codes. Discussion held on 3 vaults, one in town clerk, one assessor and one tax collector and one vault called general purpose vault; our town attorney and State of CT is looking at statutes and currently see no obstacle in doing this work in the vault. Chief Krasicky has offered to give a tour of the police department for Board members to see the area. Board member questions to R. Houle: (a) are these vaults truly fire proof vaults. They are solid cinderblock walls and a secured vault and not compromising the integrity of the vault and it will then be up to code when work is done.

MOTION: To take a recess at 7:50 by Pat Budnick; second Vicky Carey and the vote unanimous.

Meeting called back in session at 8 p.m.

(b) Did the council indicate where to take the money from. D. Bertnagel stated this was in original budget, the mill rate was not impacted and based upon circumstance he recommends an appropriation from fund balance; increase the budget by 20,000 and remaining piece will come from BOF contingency as an operating transfer.

MOTION: To appropriate \$30,750 into capital outlays for non recurring expenditures for 2013-2014 with \$20,000 as appropriation from fund balance and \$10,750 from the Board of Finance Contingency Fund by Peter Cook; second Pat Budnick. Discussion: Chairman Zovich thanked Chairman Houle and Chief Krasicky for their patience and the guided tour. Pat Budnick stated she is glad it got resolved at Council level before coming to us. Chairman Zovich stated all other line items budgeted in 2013-2014 capital outlays, reviewed, and have now increased capital outlay from \$624,600 to \$655,350. Pattie DeHuff, 20 Lynn Avenue, what was presented tonight is not completely accurate as it was stated we need to have a room to get the money and there is no mandate from the state to have an interrogation room and the only time limit under is if you want to get a grant for \$8000 for recording equipment you have to build this room by January 1st and was made clear by Councilwoman Murawski. Chairman Houle stated the Town Council approved this at their meeting 4-1. Vote: Mike Drozdick, yes; Pat Budnick, yes; Peter Cook, yes; Vicky Carey, yes. Motion carries unanimously.

9. Discuss & take action to authorize the Finance Director to prepare cost estimates for the BOF concerning a proposal to electronically digitize and store all town records that are legally permitted by state statute.

Chairman Zovich stated a lot of paper records that the state does not require we keep originals; there are reams of financial data not required to keep but want to retain information. Dave Bertnagel stated since we have I.T. on board and looking at space savings, the Finance Director is custodian of all town records; other departments have made copies of invoices submitted to his office and keep in storage so there are duplicates and triplicates of records. Recommending through I.T. there are various programs to digitalize records; programs are certified by the State. Discussion held. He needs to work with town clerk and other departments and asking permission to move forward to get cost estimates. There are vital records that need to be kept and are permanent hard copy but things taking up storage space that are not necessary will be electronically digitized. Financial records are secured off site and on site and cannot disclose locations for security reasons and for disaster recovery system we are good for tax, assessor and financial records. We need to follow State of CT records retention policy. Discussion held

MOTION: To authorize the Finance Director to prepare cost estimates for the BOF concerning a proposal to electronically digitize and store all town records that are legally permitted by state statute by Vicky Carey; second Pat Budnick. Discussion: the Council will need to approve any policy but he is going out to get cost estimates. Pattie DeHuff, 20 Lynn, asked Dave if he had any knowledge or when you do this research on how long digital records last. Dave stated technology changed greatly and now have cloud data and is permanent and will look at a variety of sources, reviewed, and what is coming out now is guaranteed for 99+ years. Chairman Zovich stated as part of his investigation is best storage media and to have backup. Vote: unanimous.

10. Discuss & take action to close out the Fall Mountain Water Project within the Capital Project Fund and authorize the Finance Director to reconcile all accounts and finalize all grant reimbursements.

MOTION: To close out the Fall Mountain Water Project within the Capital Project Fund and authorize the Finance Director to reconcile all accounts and finalize all grant reimbursements as of 6/30/2013 by Vicky Carey; second Pat Budnick. Discussion: Procedural, fund 815 Fall Mountain assessments assigned; USDA money and project itself came in under budget with \$67,686.50 in fund; waiting on reimbursement and could not close out until recorded; \$151,987.20 budgeted; received approved paperwork and reimbursed \$208,866.25 and gave us more than requested. Tonight closing out fund and returning to capital project \$124,565.55 for retained earnings at end of year as unassigned surplus. Motion is as of 6/30/2013. This account will have no more expenditures. Surplus goes in capital surplus fund. Vote: unanimous.

11. Discuss & take action on implementation of General Fund budget for FY2013-14:
 - a. Review changes in revenue projections; state grants, tax collections or financing activities.

Delinquent tax list submitted by Ted Scheidel and distributed to board members for review. Ted and Ana will be invited to the next meeting for update. Chairman Zovich stated Brandon Road project is mushrooming without interest and penalties \$200,620.00; 5 years delinquent and we need to get the Land Use Director involved stating outstanding tax debt has doubled. Dave Bertnagel stated the Planning and Zoning requirements to build will be expiring and there is legal recourse, reviewed. To resolve we need Council approved tax abatement which will revert property and undo subdivision. Structus, litigation, have 30 days to pay up and either we will own or they pay and this should be final by September 1st. State grants, we will be 597 short of what was anticipated. Police department has had 7 violations/situations in for review from cameras on outside of buses stating there were 12 given benefit of the doubt but seven clearly blatant.

Clerical help for Ana; Dave stated a part time person is working and will be here until end of August and he is evaluating cost benefit analysis.

12. Finance Director's Report

Distribution from CT Interlocal Risk Management Agency (Cirma) \$15,853 dated 7/22/13 but for the last fiscal year. Car sales – Dave Bertnagel stated letter received with specific criteria and cars have been ordered and have bid prepared to get rid of Crown Vics.

13. Public Input - none

14. Correspondence

a. Memo from James Schultz to Councilman Ferreira summarizing work for the month of June, reviewed. Peter asked for Python 5000 update; Dave stated at Council meeting he reviewed grants and Bristol, Plainville and Plymouth entered into grant, Bristol is administrator of grant and went out to bid for project and considerations by the state who sent the check, Plymouth has paid their share toward purchase of python and should be here and up and running by end of September.

15. Board Member Comments

a. Vicky Carey – (a) is Mr. Bellotti aware of hours and work within parameters; and questioned personal laptop and town computer usage by employees. Dave Bertnagel stated at the Council meeting was asked if there should be ordinance for this position and agree with Council there should be stipulation as presently position exists; there was a Human Resource job description since 2003 and never assigned to any department; council felt prudent that ordinance be prepared and give expectations of office. Has heard there will be process in place and ordinance being prepared. Chairman Zovich stated he felt this commission should have input into that. Discussion held. (b) next

Tuesday a meeting for the North Street Reservoir is being held and the BOF did put money in the budget. A 36 page presentation went to Council. Dave Bernagel stated with regard to Vicky's question on personal computers, the Town Council had concerns of situations and asked Dave to issue directive for no personal computers inside building, excluding cell phones. On July 10th he issued a memorandum to all department heads, read into record. He also stated Rich Trudeau has done a phenomenal job on behalf of the town with regard to technology. Chairman Zovich asked Dave to relay that on behalf of the BOF we appreciate the work of Mr. Trudeau and his staff.

b. Ralph Zovich – will not be standing for re-election for this board in November but will be running for another office and it has been a pleasure working with this board over the last 5.5 years.

16. Adjournment

MOTION: To adjourn by Pat Budnick; second Vicky Carey and the vote unanimous
Meeting adjourned at 8:58 p.m.

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary