

# 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, April 18, 2013 at 7:02 p.m. by Chairman Ralph Zovich in the Assembly Room, Plymouth Town Hall. Members in attendance: Pat Budnick, Vicky Carey, Peter Cook, Mike Drozdick, Dan Murray, Ralph Zovich. Also present: Mayor Vincent Festa; Robin Gudczauskas, Recording Secretary

## 2. Pledge of Allegiance

## 3. Board of Education update – no update

## 4. Approve Minutes:

- |                  |                   |
|------------------|-------------------|
| a. Mar. 25, 2013 | d. April 8, 2013  |
| b. April 1, 2013 | f. April 11, 2013 |
| c. April 4, 2013 |                   |

**MOTION:** To approve the minutes as presented for March 25, 2013, April 1, 2013, April 4, 2013, April 8, 2013, April 11, 2013 by Peter Cook; second Dan Murray.

Discussion: none. Vote: unanimous.

5. Mayor's Report – Cirma report coming out and should have by tomorrow relative to decline in number of cases on workers compensation, preliminary report states good downward trend; new cars, question on buying American vehicles and we are, Prius is part of the bid process through the State. Peter Cook questioned Worker Comp potential savings in budget; Mayor Festa stated that is percentage given a few months back for coming year but will receive check back for about \$18,000. Pat Budnick noted Prius are American made; Mayor Festa stated number we can look at through state bid process but pushed Prius and just one model and do have Ted working with 5 dealerships. Chairman Zovich noted other is Ford C-max; also maintenance issue is we need to get training on hybrids.

## 6. Discuss & take action on following items in current FY2012-13 General Fund budget:

- a. Recommended transfers between accounts, if req'd. – Chairman Zovich read recommended transfers into record noting Total Transfers of \$68,826 within accounts; nothing from Contingency line item. Board of Finance Contingency transfers from to date is \$34,040 with a balance as of today of \$15,960 in BOF contingency.

**MOTION:** To accept Transfers of \$68,826 by Mike Drozdick; second Pat Budnick.

Discussion: Chairman Zovich asked if \$12,000 is enough to cover Mr. Bellotti on straight time and do not foresee extra hours; Mayor Festa responded that is good. Vote: unanimous.

## 7. Discuss & take action to appoint Blum Shapiro as independent auditor for FY12-13

**MOTION:** To appoint Blum Shapiro as Independent Auditor for FY 2012-2013 by Dan Murray; second Vicky Carey. Discussion: Peter Cook (a) we need to stipulate the cost does not go over budgeted amount; Chairman Zovich noted budgeted amount is 70,000. (b) for next year we would like another bid. Pat Budnick asked about risk analysis;

Chairman Zovich reviewed organizational meeting and it is asked by the auditors if we have any knowledge of fraud or misrepresentation, abuse or misuse of taxpayer money; he will talk with Dave about risk analysis. Pat asked if money in contingency could be used for that. Mike Drozdick noted that due date is to be prior to our October meeting of 10/17. Vote: Dan Murray, yes; Vicky Carey, yes; Peter Cook, yes; Pat Budnick, yes; Mike Drozdick, yes and the vote unanimous.

8. Status report on development of standardized Financial Policy & Procedures manual. Chairman Zovich noted this is result of recommendation from Blum Shapiro. Pat stated she is waiting for electronic form which she has asked Dave to first review and edit it as it pertains to the Town of Plymouth and then forward it to her for review and further editing. Discussion held. Peter Cook stated the Board needs to agree on operating procedures we need which is table of contents and then break into pieces; discussion held. Dan suggested getting table of contents and once through budget season we can get going. Chairman Zovich asked the Recording Secretary to get the Table of Contents and email to Board members.

9. Final Review of Proposed General Fund Budget for FY2013-14

a. Review and discuss presentation for Public Hearing on 4/23  
“Final Draft of Budget Highlights Town of Plymouth FY 2013-14 General Fund” distributed and reviewed; one page summary that goes into the paper reviewed. Town side of budget is going up \$94,655; Peter Cook noted it should be stated meeting of revenue projections in prior year’s collection and interest and lien fees. Chairman Zovich reviewed current charter requirements and referendum to be held on or before May 3<sup>rd</sup>; Mayor Festa relayed Registrars concerns on holding certain days or times and will have further input for meeting following the Public Hearing. Chairman Zovich noted the one page summary needs to be published in the paper 5 days before. Power point from last year distributed and reviewed noting proposed changes; discussion held.

b. Legal Notice and printing of budget summary in newspaper prior to referendum.

10. Finance Director’s Report – Chairman Zovich read portions of email from Dave Bernagel into record. Projecting small surplus this year contingent on revenues still coming in including tax collections and no catastrophes; school roof snow removal was approximately \$100,000; bid information reviewed; at last week meeting asked about current status of cap projects and information on that distributed and reviewed. Pat Budnick questioned Storm Charlotte cost total being \$162,000 and would like breakdown of storm costs and how calculation of reimbursement is made. Clarify what is the 48 hour window of our choosing.

11. Public Input

a. Melanie Church, 328 Main Street, state will cut money is assumption going on and if they do not cut or says this much must go to BOE, we will get stuck like this year because we were told had to give 127,000 and this year assuming cut so we as taxpayers have to pick it up. If something can be done if more money comes in from the state, if that can be put onto the side or given back our tax dollars to offset taxes next year. Right now everyone is assuming cuts but from what heard on tv they are looking at giving more to BOE and if this extra money comes in it should be put in somehow or another but if reimbursed by the thing you put back in general fund. Must be some way we can work 250,000 we are putting in for tax dollars to BOE increase that if money comes through it should go back so we are not hit double whammy again. Peter Cook stated this is similar to what happened years ago when state increased ECS by a million and that didn’t come through until after the budget and we didn’t recognize it. Chairman Zovich stated had

our budget passed at referendum, first one, the state budget then came a few weeks later and what would have happened the money was not approved and would have gone to the general fund but they would have been obligated to get this year. (b) this year we are paying out of tax dollars \$250,000 out of tax dollars because ECS money they got last year we added in to this year's budget and became part of permanent budget. Dan Murray stated money comes to municipalities directed to where it must go by the State and the State said it must go into BOE existing budget and if they come back again this year, if comes to fruition and say here is another "x" amount of dollars which needs to go into BOE budget, we do not have authority to redirect to general fund and needs to go where dedicated or directed to go. (c) we are putting 250,000 increase and grant money comes in why can't we take our 250,000 of tax dollars and put that into the general fund or account to offset taxes. Dan Murray stated that would become issue where you have decreased the BOE budget. Peter Cook, open ended question of what the State says to do with it and last year the State handed it to the BOE and nothing we can do. Chairman Zovich noted there is no anticipated change in ECS money and what is being cut is school transportation, manufacturer reimbursement, Pequot pilot and .25 sales tax. He referred to the second paragraph of budget summary that says subject to approval of state budget by the general assembly. (d) why is there an increase in bids for town under state agency, quotations only and all were way lower in 2000-05-06 with \$200,000 difference on monies and seeing numbers up for 2009-2010 OPM state and other agency bids utilized. Second excavator was not State match State bid price and just bought another one from same guy got first one and thinks incorrect. Chairman Zovich stated one was new and one used. Clarification given on bid numbers.

b. Pattie DeHuff, 20 Lynn Avenue (a) Ralph commented on a lot of time doing this stuff and appreciate the fact of what the board does; there are those of us who spend time coming to meetings and asked and were told they would be given types of handouts you are given and have not been given them every meeting and only tonight got because some duplicates and it sends message to the public that you do not want to hear what the public has to say. In past at public hearings and your role is to hear from the public and what has happened is the board consumes an hour's worth of time. Mayor Festa, comment out of order as to personal attacks. Chairman Zovich asked if she is saying you need more time for public comment and less presentation. Pattie, you need to allow time, for people are not sitting there for an hour and discouraged and why you do not have very many people. Purpose of meeting is to hear from the public. To consume an hour of presenting the budget is not the purpose of the meeting. Mentioned slides and not including one on student enrollment and feels he should share that slide. Lower student enrollment, lower it should be on BOE side. Also, inability of the Finance Director to be here because spread so thin because part time Finance Director and you may want to think if it is best for our town who has a Finance Director spread so thin at a critical time when talking about a budget and he should have been here to answer your and our questions and understand administrative decision and something you can request. Minutes that appear on line are difficult to read and difficult to read because in paragraph form and helpful if minutes reviewed before they were put on line and submitted to the mayor's office. Chairman Zovich stated he will tie in last year's enrollment though there are no state official projections; minutes have not changed format and in same format for years and an acceptable format by the Board.

c. Mike Kennedy 11 Overlook Terrace Road (a) have been trying to obtain minutes for March 21<sup>st</sup> and cannot seem to find them; Chairman Zovich noted they were adopted and filed with Barbara Rockwell in the Town Clerk's office. (b) Ralph said earlier rate of inflation at 2-3% and where can he read that. Chairman Zovich stated the Commerce Department based on consumer price index.

c. Melanie Church, 328 Main Street, you should bring up 2 police officers because went

from 23-25 on a bare bones budget yet we added 2 new officers.

d. Vincent Festa, 7 Carriage Drive, here as resident and taxpayer for 40 years and in early part of meeting subject close to, aware of and concerned of, is issue of fraud and heard someone say to go to auditors to find out how much it would cost for that. Ask you tonight to not consider cost and do forensic audit and go through past 12 years and there are many people in this community who will not serve on any public agency because of mud thrown at them and their family. From personal fact, this Mayor is not involved in any type of fraud or anyone in his administration thought to be considered thieves and urge you to look at issue not because of money involved but because of what it will do to this community in the long run of things and either you stop the rumors of fraud and prove none going on or prove fraud going on and put us in jail. I urge you to go to the Mayor serving this community and ask him if willing to forgo his salary for rest of year for the purpose of doing just that.

## 12. Correspondence

a. Letter to Ralph Zovich, by email and hard copy, from Ted Scheidel; Chairman Zovich stated to put in context it is in regards to a comment at April 4<sup>th</sup> meeting (read from minutes noting on license plate registrations). Letter from Ted read into record.

## 13. Board Member Comments

a. Pat Budnick, clarification as long as following up on management letters and thought where fraud audit or risk assessment and they have asked us to get done and mentioned it to comply with management letter.

b. Peter Cook, we have been recommended in management letter and not cited. To come to Dave's defense, do not think anyone said he was so spread thin to not come tonight or in coming up with next year's budget but the policies and procedure manual is not the most important thing to do now.

c. Vicky Carey, next meeting we can give Dave the proper ok to do fraud assessment risk assessment and would like to see us start the physical inventory and we need to give him the okay as a Board to start. Thinks with having independent agency they can get done further and she will compare her notes to their notes. Also, would like letter sent to Public Works who had talked about selling equipment and want to see what they will sell, year at, hours at and when they are selling. Any money recouped goes to the general fund. Chairman Zovich stated he will send a letter to Mr. Lorenzetti with copy to Dave and the Mayor.

d. Dan Murray, urge that what Vicky says is done but done before we sell as if we are in a position to sell off surplus equipment we need to know what it is before we sell it. Mayor Festa stated last week the Council received a list; practices and procedures, they have gone to Town Council and not to the BOF and another policies/procedure to be put in place. Chairman Zovich noted legislative body should give approval but should become an automatic understanding that surplus money goes back to taxpayers. Dan Murray stated another concern, if we sell things and someone goes out to purchase new things, are we sure it is good use of money. Chairman Zovich noted in current budget year we have a list of capital outlays to be bought.

e. Ralph Zovich, follow up on Ted's letter, we have a potential legal problem before us that we as an elected board have fiduciary responsibility to taxpayers to make sure no misappropriation or misallocation of funds and approved budget is followed. There are two key issues that come here, if any of the board or citizen has knowledge of theft, fraud, violations of law, misuse of taxpayer funds that is a crime and proper procedures is to file a police report; any citizen can file a complaint on inappropriate behavior by town employee or elected official and goes through mayor's office. There is legal issue, we as elected officials were sworn in and took oath to uphold law and cannot make

unsubstantiated charges against individuals, either employees or town officials, without having objective evidence. If you make a charge of wrongdoing against any individual, they have due process rights which triggers a series of legal events that must be followed. You must notify person of charges, have impartial hearing, that person has right to retain counsel, person has right to face accuser and see evidence against them. Hearsay by nature is second hand that someone can make up. He will exercise his discretion as chairman and will not allow charges to be leveled against any town employee or official based on hearsay or innuendo. Need to make sure everyone understands is first amendment right to free speech does not commit perjury or slander another person; further explained.

#### 14. Adjournment

**MOTION:** To adjourn by Vicky Carey; second Pat Budnick and the vote unanimous. Meeting adjourned at 8:45 p.m.

Respectfully submitted,

Robin Gudeczauskas  
Recording Secretary