

Town of Plymouth

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Board of Finance

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1. Call Meeting to Order – The Regular Meeting of the Plymouth Board of Finance was called to order on Thursday, December 17, 2015 was called to order at 7:00 p.m. by Chairman Ralph Zovich in the Assembly Room, Plymouth Town Hall. Members in attendance; Vicky Carey, Pattie DeHuff, Jay Dorso, Jim Zalot, Ralph Zovich. Also present: Mayor Merchant, Robin Gudeczauskas, Recording Secretary; Sue Murawski, Council Liaison; Joe Kilduff, Tax; Charlie Wiegert. Excused absent: Dan Murray and AnnMarie Rheault.

2. Pledge of Allegiance

3. Notice of Fire Exits

4. Acceptance of Minutes: Spec. Meeting on Dec. 3, 2015

MOTION: To accept the minutes of the special meeting minutes of December 3, 2015 by Pattie DeHuff; second Vicky Carey. Discussion: none. Vote: unanimous.

5. Mayor's Report - working on blight which is a priority with 3 North Main Street being at the top of the list; need to create a "blight fund" in order to follow through to back up demolition of places which fund will be replenished from liens, sales of property and/or budget system. A plans needs to be developed and working with the Director of Finance. (b) Bond issue - aware of debt service cap and there are projects that need to be done such as communication project, fire house is a safety item. There are projects we will be reimbursed for and if not done, we will lose the money such as Fall Mountain paving project, reviewed. Working with Capital Improvements Committee to put together a plan and it will be brought forth. (c) Attorney fees will run over as there are many things going on in town such as grievances, medical insurance, contracts (currently working on 3).

Comments from the board: (1) Grievances -- is that part of attorney fees and are we having unnecessary grievances from something little such as longevity payment. Mayor Merchant replied not to his knowledge. (2) Bond issue and level debt service; now debt service is lower than when issued 9.8 million bonding but those bonds were 5 year term and maybe some 10 and we should be paying down bulk of those and we should be able to take existing principal and roll over but do need a bond rating. Mayor Merchant stated he was at OPM last week for update on where we are and do not see them until next April; overview given.

6. Tax Collector's Report – Joe Kilduff distributed comparison for collections, reviewed stating current year collections is above last year; back taxes are lower but there is not a lot left; there are 21 properties with the attorney for foreclosure and of those 21, we may get paid on 5-6 and the rest the town may take over at some point. Sewer, is quite good; had sent in over 200 and down to 97 to collect. Prior tax is down and expects 20-30 going to attorneys for those who did not pay last year or first installment this year.

Questions from the board: Next month would like to go through top 20-30 on tax list which is on website and go through whether uncollectable, defer as in probate, etc., should be a tax warrant and tax sale. Discussion held and for some properties the back taxes are more than the worth of the property.

7. Finance Director's Report

- a. Update on FY13-14 & FY14-15 independent audit – Chairman Zovich stated Mayor Merchant covered this under his update; we may have a draft copy of annual report at our next meeting, process reviewed.
- b. Distribute copies of General Ledger (as reported on 12/3/15) – distributed for members review and discussion in January.
- c. Discuss & Take action on internal transfer requests, if req'd. – Chairman Zovich read request from the Public Works Director into record asking for line items transfers from Engineering Tech line item be transferred to Contract Services for \$35,175 and a transfer from Engineer Tech to Advertising in the amount of \$350 for total of \$35,525.00. Charlie Wiegert gave background for request and overview of line items and will continue to do transfer as issues arise.

MOTION: To approve the transfer of \$35,525 between two line item accounts as requested by Vicky Carey; second Jim Zalot. Discussion: Advertising for tech position which has been open since the start of the fiscal year; advertised and 12-15 applications received but not qualified, was posted in a few papers and on line, hoping a retiree would come in or an applicant fresh out of college. Chairman Zovich stated with transfer, if they need an engineering assistant, it would be handled through contract services. Projects include safe routes to school as temporary; streetscape project will require full time inspection and to contract out will cost a lot more but has found a retired inspector from another town who is interested in doing some part time work resulting in some draw down on the engineering tech line item. Engineering tech is a union position. Pattie DeHuff stated to her it feels like we are going out to contract services because of experience these individuals have and to fill for lack of what Tony had. Chairman Zovich stated the engineering work is still there to be done. Charlie Wiegert stated what Pattie is saying is that Tony was a P.E. and he is not; however these are thorough and time consuming and not something that would have been done by Tony; currently he is doing more than one job and time is an issue. Vicky Carey asked for the breakdown of contract services being transferred. \$20,000 to Bemis Street west (near Sherman Lane); \$15,525 is Fall Mountain water road paving engineering. Vote: Jay Dorso, yes; Vicky Carey, yes; Jim Zalot, yes; Pattie DeHuff, yes and the motion carries.

8. Clarify fiduciary duties/responsibilities of Board of Finance, compare & contrast State Statutes vs. Town Charter, Chp. VII; Budget Process, Fiscal Oversight & Limitations.

Chairman Zovich polled members for their understanding of the responsibilities of the Board and reason (s) for running for office.

Chairman Zovich shared what he has learned as an informational topic/item: (a) fiduciary responsibilities – act on behalf of the best interest of the town; do not discriminate or show preferences – (1) insure integrity of financial management system (2) protect the public assets (3) work to insure all tax dollars spent efficiently for the greatest good (4) responsibility to plan for the future. (b) state statute vs town charter – overview given and review held. (c) Fiscal Oversight and Limitations of authority reviewed

Kathy Kosak, 201 Harwinton Avenue – enforcement of expenditure of budget is that not your fiduciary responsibility and you refer to state statutes and charter is that not BOF obligation. Chairman Zovich responded if we obtain firsthand knowledge that a department head has intentionally overspent the budget then he faces civil liability but that is handled through the mayor's office.

Melanie Church, 328 Main Street - we have a weak mayor/strong council form of government and that means the Council has the power. Chairman Zovich reviewed limitations of authority.

Further discussion held.

9. Discuss with Mayor feasibility of freeze on discretionary spending – 2nd half of FY15-16. Chairman Zovich stated Pattie brought this item up and upon the Board's review of the general ledger distributed tonight, this item will be on the January agenda.

10. Discuss & Take Action on proposed draft of ProForma Financial Summary report. Chairman Zovich distributed and reviewed the draft of his "General Fund Revenue/expenditures Summary" as of 11/30/2015 stating all budgets remain unchanged although there have been line item transfers. He stated this will be updated for the January meeting; a question on Capital expenditures and debt service will be discussed with the Finance Director in January; line item to be created for generator purchase.

MOTION: To accept the summary report as presented and authorize the Finance Director to update for next month and a copy to go to the Town Council by Vicky Carey; second Pattie DeHuff. Discussion: none. Vote: unanimous.

11. Review statistical data for Town of Plymouth published by C.E.R.C. Chairman Zovich stated informational item only and no action to be taken. Information distributed on economic and demographic statistical data; reviewed.

12. Public Comment

- a. Kathy Kosak, 201 Harwinton Avenue – (a) line item transfers - it is not to say transfer should not take place but if allow line item to go into deficit you have a truer picture of planning your next year's budget and if do this early it will get lost. Chairman Zovich stated that is why they are keeping track of original vs amended. (b) people voted on the budget and position was never filled and things will get lost. Chairman Zovich stated he distributed line item summary of every account and when preparing next year's budget the board will start with this to show which line items were increased or decreased and review. Vicky Carey stated a board member did go and talk in budget preparation time, and was given reasons why it should be in the budget and needed.
- b. Melanie Church, 328 Main Street – if people are going into line item deficits and will not tell until end of year it does not tell you what is going into deficit and there will never be a surplus. Does not believe anything over 50,000 according to Charter must go to a town meeting and was ignored over the years. The only amount the Board of Finance or Council can spend is \$50,000. Need to stop deficit spending and we need to start having a surplus. It was brought to attention the money keeping for debt service; you cannot pay off debts ahead and ended up with extra money and this year did not budget for that. Watch the budget and stop overspending. There is a grant never approved for over \$2 million and we do not have this money. The 150,000 is nowhere in the budget (for Smith Street where they are buying land for Bemis Street project) and not part of the original Bemis Street project. The one in the bonding package was for design and engineering. The Council did not approve it and it would still need to go to a town meeting. Chairman Zovich stated the exclusive authority to make transfer (s) within the budget is the Board of Finance; there is no increase to the original budget from a transfer but any increase to the budget, any requests have to go to a town meeting if over 50,000. (b) all grants must be approved by the council. (c) if you continue to let line items go in deficit and get monthly reports, and you cannot see current and need more updated information and that needs to be done in order to stop deficit spending. (d) Think another agenda item should be added for liaison reports.
- c. Brian Dunn, 19 Carriage Drive – see more engagement with you as chair and nice to see flow of information. Heard contradicting of asking board member input and they stated watching for taxpayers and then you put limits on as what they do to investigate. People

see all types of things going wrong and asking questions and why isn't the BOF members going after questions and no motivation of members. For 972,000 brought in, why aren't there answers; excessive spending of the mayor and cuts in other areas. This board is to keep checks and balances in place and look out for taxpayers.

- d. Sue Murawski, Council Liaison – The Chair mentioned last meeting she is liaison to the Police Commission and the overtime line item is in deficit and she relayed question at their meeting. They said they expected that and number was low in the budget and gave no indication to remedy that. They meet the second Tuesday of the month.
- e. Melanie Church – one other; transfer station hours cut and then voted on by Council to reinstitute those hours and to be closed on Mondays and will be a deficit and have not seen or mentioned in deficits in line items and know for a fact that some people are being paid higher grade to do that job. Chairman Zovich stated the summary report we have as of 11/30, the transfer station is not in deficit. The Council can set hours of operation of town departments.
- e. Dan Gentile, 269 Mt. Tobe Road - excellent training session for new members for feel of what is going on. You cited one piece of charter and there are a whole bunch of charter rules and laws. You have to be fiscally responsible for your budget. Chairman Zovich encouraged all members to read the charter. (b) he has read the charter and the comptroller has a lot of authority and is in charge of this town more than the mayor and when that person signs something, you need to accept fact that was signed.

13. Correspondence

- a. Letter from the Superintendent dated 12/9 for budget presentation and workshops which was mailed to all board members. Chairman Zovich asked that board members let the secretary know if they will be attending so that an incidental agenda can be filed. The BOE tentatively would like to present their budget on March 17 in the community room; Robin will respond in affirmative.
- b. Letter to the Town Council and BOF dated August 20, 2013 from Mayor Festa read into record; Chairman Zovich stated that account for \$900,000 and we will find out where that money went when the auditors close out the book. Joe Kilduff stated he went back and those checks were deposited in the general fund; \$ 851,533 from LeBuff; 152,000 from Nadeau property which totals \$1,002,000. Chairman Zovich stated charges against the closing would also apply and this money would be applied to surplus of 2013-2014. As of June 30 2013 we had 1.6 million in unreserved fund balance.

14. Board Members' Comments

- a. Jay Dorso – thanked Ralph for information tonight and time he took to review
- b. Vicky Carey – do like getting monthly reports to see what is going on in budget; as to overtime in police department line item, trying to find in notes and something done due upon recommendation to comptroller and was done when they cut down to 100,000; and will find exact verbiage. Once all is said and done with the budget would like to go through and work on accounting policies and manuals, have Town Council approve it; there are changes that now need to be made. CT handbook now refers to GasB and we need to incorporate them.
- c. Jim Zalot – police department overtime was expected due to police recruits in academy and until filled, we needed to fill voids and does not see a problem. Happy holidays to everyone.
- d. Pattie DeHuff – thank you to Ralph for addressing concerns. Thanked the public for coming out. Merry Christmas.
- e. Vicky Carey – police cruisers are 60,000 funded and will be shown as operating transfer in from extra duty fund. We need to go back to way we use to where capitals is capitals and all the money is done correctly and not taken out of separate funding areas.. Chairman

Zovich stated he will reformat the capital outlay sheet.

f. Ralph Zovich – next meeting January 21st. Merry Christmas and have a safe holiday.

15. Adjournment

MOTION: To adjourn by Pattie DeHuff; second Vicky Carey and the vote unanimous.

Meeting adjourned at 9:38 p.m.

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary