

Town of Plymouth

80 Main Street, Terryville, CT 06786
www.plymouthct.us

Board of Finance

Telephone: 860-585-4002
Fax: 860-585-4015

1. Call Meeting to Order – The Regular Meeting of the Plymouth Board of Finance was called to order on Thursday, February 18, 2016 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, Ralph Zovich. Also present: Ann Marie Rheault, Director of Finance; Robin Gudeczauskas, Recording Secretary; Sue Murawski, Council Liaison; Joe Kilduff, Tax Collector; Barbara Rockwell, Town Clerk; Phillip Penn, BOE Business Manager. Excused absent: Dan Murray and Jim Zalot.

2. Pledge of Allegiance

3. Notice of Fire Exits

4. Acceptance of Minutes:

Regular Meeting - January 21, 2016

MOTION: To accept by Pattie DeHuff; second Vicky Carey. Discussion: Pattie DeHuff wants added in, item 6, Mayor's Report – to add that the mayor stated there were 3-4 officers and assumed they were just hanging around. Vote: unanimous.

5. Auditor's Report:

Update on progress of independent audits by Blum Shapiro – Chairman Zovich stated the annual report distributed is a draft, not finalized yet and are to be treated as preliminary and confidential. Nikoleta McTighe, Blum Shapiro, stated (a) the draft is for discussion purposes only and waiting for management to provide comments on draft of financial statements and management is working diligently and working and asking questions. Here to show progress, in draft format, numbers not final and may change upon review and questions. General Fund balance is restated for June 30, 2013 and beginning of fund balance 13-14 is restated; reviewed. Chairman Zovich stated consolidated financial is funds of all the town. (b) 2 highlights: Loss of asset and correct misstated numbers from 2012-0213. Discussion held. Too many bank accounts and due to/due from. Nikoleta stated Ann Marie and her staff cleaned this all up once and for all and going forward there are no unknown balances. 6/30/2014 fund balance is 2,408,000; Gasb65 changed geography of items in reporting. Long term funding policy was not implemented correctly and needs to be revisited. Methods of accounting reviewed. Gasb67 will be historical picture of pension fund beginning this year as one column, reviewed. Phil Penn, BOE, stated what the actuary recommended was unlocking the actual contribution from the payroll process; take dollar amount of actuary contribution and divide by 12. Pension valuation comes after budget preparation. Capital Reserve Sinking Fund and this fund is fully accounted for; fund created in 2012 allowing up to 1% and several years the BOE surplus was approved to go into this capital reserve sinking fund; this year the BOE has one time non recurring capital costs; \$40,000 was put in at end of the 2014 year on 8/18/2014. As of June 30, 2014 there was 190,000 Ann Marie stated Bernagel borrowed money to fund cash flow and utilized this account and several others; this is one remaining account where cash was taken from and needs to be put back. She further stated before the meeting when handed out excerpts, she did not know the BOF involvement in process of draft to final and trying now to narrow this down; the draft report is not a public document and the full document will go to the BOF for review. Vicky Carey stated this document always came to the BOF to review and ask questions. Chairman Zovich stated the Final draft and management letter can be done electronically; close 2014 and move on to 2015 with beginning balances. Discussion held. Emails with questions are to be

channeled through Ann Marie. Pattie DeHuff stated (a) the fraud risk assessment was not done, in budget and is Nikoleta's opinion in this current year we do a fraud risk assessment Nikoleta said definitely. (b) confused and understands starting balance off and 2.4 million; the 1 million on page 55. Chairman Zovich reviewed document and accounting methods of location of those dollars. Nikoleta gave explanation of how to review the draft annual report. Chairman Zovich stated the Board will take until Monday and any questions should be sent to Ann Marie.

6. Mayor's Report – Written report read into record .

7. Tax Collector's Report – Joe Kilduff distributed and reviewed updated collections through today and year to date 95.22% expected revenue collected; through end of February 96.65 last year and should be there at end of this February. Current year taxes doing very well; prior year slightly down; Personal property has started and a few warrants were signed; the governor's proposal is to lift restriction to have to pay delinquent motor vehicle tax before registering vehicles which will decimate municipal budgets.

8. Finance Director's Report - working on budget; working on 2014 and 2015 audit. Financial report reviewed and amended line items for special appropriations approved. Attended Police Commission meeting and budget will end in deficit.

9. Implementation of General Fund budget for FY2015-16:

- a. Review Financial Summary report for period ending 01/31/16, budget vs actual. (held under Finance Director's report above)
- b. Discuss & Take action on any internal transfer requests, if req'd. – none.

10. Discuss & Take Action to confirm approval by Town Council of special appropriations request as follows:

\$28,600 for Temp. Accountant Contract Services (101-01-005-010)
\$13,123 for Admin. Assistant Salary & Benefits (101-001-001-003)

\$41, 723 Total Appropriations

Chairman Zovich stated this is a follow up item requiring action.

MOTION: To approve Town Council approved Special Appropriations by Vicky Carey; second Jay Dorso. Discussion: Chairman Zovich stated this is coming full circle to confirm approval of our recommendation. Pattie DeHuff stated she is opposed to the Admin. Assistant special appropriation. Vote: Jay Dorso, yes; Vicky Carey, yes; Pattie DeHuff, no. Motion carries.

11. Discuss preparations for FY2016-17 proposed budget, goals and objectives and board member voluntary assignments by budget section.

Discussion held on sections for review: Vicky - Capitals; Dan – Public Works; Pattie – Public Safety; Jay – Library and Land Use; Jim – Public Health and Parks and Recreation; Ralph – General Administration.

Schedule: start with revenues and then work into expenditures; Cancel Monday and Thursday.

12. Public Comment

a. Brian Dunn, 19 Carriage Drive – (a) 972,000 chasing and are you satisfied as to where it went and got confirmation it was collected above and beyond. Chairman Zovich stated reconciled in closing of fund balance and going forward you watch assigned vs unassigned portion of fund balance. (b) public asked in 2015 and the mayor said there was a surplus and during November/December low cash flow and money used to pay bills; Chairman Zovich

stated cash flow is different than final reconciliation of accounts. (c) moving forward will we see a paper trail; Chairman Zovich stated that unassigned portion of fund balance is not allocated and like a savings account and we keep that unassigned portion under a microscope.

b. Chris Simo-Kinzer, 52 Old Farm Road – the BOE had to put a soft freeze on budget over the past year and we have 26 officers; Ann Marie stated 25; (b) and we have that much overtime? Chairman Zovich summarized what they heard at the Police Commission meeting. (c) last year departments went over and are we going to start holding accountability over their head. Ann Marie Rheault stated what they (the public) need to understand is her belief in this process is a lot of budgets have been understated and have not had a true budget for departments to operate in a long time; there are things we are contractually obligated and those line items were under budgeted in effort to maybe keep the mill rate down and to try to do a budget with true expenditures is a huge increase that got voted down and went back to a poor budget as a starting point. This year you will still work from budgets that have been unrealistic in line items as not budgeted correctly, cut and departments did not know they were cut and they do need to be held accountable. Chairman Zovich stated the Chief reiterated they requested 150,000 in overtime and were cut to 100,000 and we planned for them to go into deficit knowing they were under budget. We need to have them give us an accurate number to make their department work. He gave background of cuts made several years ago. (d) attended BOE budget meetings and principals came to ask for what they wanted and then what really need.

c. Dan Gentile, 269 Mt. Tobe Road – budget on other side of street could not go over a penny; what is difference between sides and accountability. Chairman Zovich stated the BOF does not have authority to freeze any budget, reviewed. Ann Marie stated there are union contracts here and town services you have to offer to the public. Chairman Zovich stated the BOF can make recommendation but requires council approval.

d. Melanie Church, 328 Main Street – have been going through numbers and 400,000 cut in budget this year and the BOF approved over 300,000; Council approved 150,000, 71,000 and no people approval, 75,000 for the generator with no approval and there is approx. \$300,000 and then 44,723 more. This is not sustainable and not acceptable; the people did not approve this budget; budget set is supposed to be followed. This is the only town that runs into deficit. It has to stop; talking 972,000 and now another 300,000 and a problem; another 100,000 for the police department; last year she suggested going down to 4 day work week and everyone take a cut in pay. Wants to know where 972,000 went and some went to highway dept over budget, bonding, all stuff was not put in bonding the police and catch basins; there needs to be more accountability. For mayor's office to have secretary go over each year it is not acceptable. This only took 2 years and we still don't know what 2014-2015 has or 15-16 has. Wants honesty and accountability; how much is Parks and Rec., are they within budget; BOE gets a book every month showing every line item and account number and this needs to be done here. Chairman Zovich stated generator appropriation which was passed by Council for 75,000; communications equipment 71,000, antennas for police and fire totaling \$146,000 of emergency appropriation; 41,000 special appropriation for bottom line of general fund budget.

e. Brian Dunn – tax collector reports since Mr. Kilduff prepared and before he came in we had surplus of 900,000 and does he get 900,000 surplus every year; Chairman Zovich stated after we close 13-14 we will have accounting of 14-15 and measure of what collected to current levy and prior levy; reviewed.

e. Melanie Church, of 972,000 asking the BOF to give them the records of the monthly collections for that year to auditors and turn around as that is 972,000 over what was expected. Ann Marie stated the auditor's reconciled revenue to tax collector report and the general ledger. Melanie Church stated she wants to know when you take out of account; Chairman Zovich stated it was used to offset all deficits of departments; reviewed.

13. Correspondence

- a. TAHD assessment for next year went up \$4
- b. Martin Sandshaw letter explaining antennae; read into record and distributed itemized breakdown of every component for radio system upgrade; reviewed.

14. Board Members' Comments

- a. Vicky Carey - Sandshaw communication – it is poor management of their committee and back to what happened in years past where had project and know deteriorating and instead of going to capital improvements to be budgeted and this is years of disrepair that should have come forth.
- c. Pattie DeHuff – stated (a) that when Ralph does general administration he ask him how come he recommended 48,213 for administrative assistant and then came back to us for additional appropriation. Chairman Zovich stated he had discussion with Mayor and due to payroll status and will get into it. (b) find out how many vacation, personal etc she is getting.

15. Adjournment

MOTION: To adjourn by Patte DeHuff; second Vicky Carey. Discussion: none. Vote: unanimous.

Meeting adjourned at 9:30 p.m.

Respectfully submitted

Robin Gudeczauskas
Recording Secretary