

1. Call Meeting to Order – The Regular Meeting of the Plymouth Board of Finance was called to order on Monday, March 7, 2016 at 7:02 p.m. by Chairman Ralph Zovich in the Assembly Room, Plymouth Town Hall. Members in attendance: Vicky Carey, Pattie DeHuff, Jay Dorso, Dan Murray, Jim Zalot, Ralph Zovich. Also in attendance: Mayor David Merchant; Ann Marie Rheault, Director of Finance; Sue Murawski, Council Liaison; Barbara Rockwell, Town Clerk; Robin Gudczauskas, Recording Secretary.

2. Pledge of Allegiance

3. Notice of Fire Exits

4. Review of proposed FY2016-17 General Fund Budget – Chairman Zovich stated copies of narratives were just distributed not including public works; schedule for department reviews discussed.

Budget:

Chairman Zovich distributed and reviewed a budget summary he prepared. Education - The number the BOE sent the BOF was 24,551,340; the Mayor recommended 300,000 over current budget. His review of numbers with requested BOE number brings total to 40,987,999, less motor vehicle revenue and other revenues takes mill rate to 37.31 projected which represents over a 2 mill tax increase; with tax exemptions would be 37.96. Discussion held. Need to look at line items you cannot change; and the board needs to make people understand not all numbers can be changed. Contingency: furlough plan excluding police department; take salary away from non union supervisory personnel; layoffs; program elimination; Key comment: budget numbers that we are working on now are “soft” because we have open issues with the audit and unaudited 2014-2015 budget and key phrase “we may for the first time in a few years have a dead on expense budget that needs to be managed in order to suffice our services to the town”.

General Administration-

Legal Services – up due to arbitration action; Mayor Merchant stated we have 2 contracts working on and one going to arbitration and second one 99% sure going and have lawsuit working on.

Workmen’s Comp up 27,000 – have had higher claims; need better focus on this area and have met with Cirma on cases. Trying to change wording in some contracts as they make it easy and desirable to stay out on workers compensation. Estimates come directly from Cirma.

Property & Casualty – auto policies, property – estimates come direct from HD Segur

Umbrella – down \$3,000\

Net increase 44,351

Employee Benefits

Bonding – employees

Accident & Health – life insurance policies for a few retirees; AnnMarie to get more information for the Board

Pensions – up \$420,000; 3 pieces into pension expense including expense for old pension (Defined benefit program), MERS (Police Dept), 401A (defined contribution plan). Biggest chunk is defined benefit, old pension plan on town side only; based on actuaries, ADC is amount determined for the town to fund pension plan properly on an annual basis. Need itemized breakdown 655,422 actuarial, MERS is 383,000; 401a \$104,000. All based on payroll numbers.

Health Insurance – up \$87,000.

Benefits Non Employees – shift in line items last year due to way anthem categorizes retirees.

ACA Fees – what we are now being charged for affordable care act.

No percentage increase in now and costs could go up. Still 2 bargaining units. Ann Marie Rheault stated the \$1 million and \$400,000 are slightly understated of actuals at this time; net of employee contribution.

Unemployment Compensation – up \$5000, based on history

Wages/benefit adjustments – this number may not cover actuals – have clerical contract that expired with 3 years of retro; if police department ratifies within next year will have large amounts of retro's for them. AnnMarie to look at 1% of payroll for this line item

Actuarial fees will go up – actuaries had to catch up on pension and OPEB and working on pension valuation for fire department as 2012 and 2014 they were not done

Section up \$360,200

Educational Incentives, were to be phased out at one time – Ann Marie stated that is in all contracts based on level of education and degree across the board. Number to be verified.

Chairman Zovich stated he would like an executive session in April for pending litigation and contract negotiations as to where they stand at that point.

Long term unfunded liability – Ann Marie state policy put in place 3 years ago by Bertnagel; money was to be put in trust, never set up or worked on with actuary; premise of policy was wrong. Put money aside and expensed 100,000 first year and 200,000 the second year and another 200,000 in budget. 2014 actuals will have no line item for unfunded liability and it will not for 2015 or 2016. Until trust set up we cannot record liability. When put money in trust it will come from restricted fund balance.

Benefits Heart & Hypertension

Have one former employee who we do not know if liable for life insurance, he or his estate

Town Clerks Office

Salary town clerk with 1.5%

Staff, full time – union position and back to 37,650

Computer Records increase of 2,515 – Barb Rockwell stated outside service; microfilm every record taken in daily; indexing, scans. This increase includes anticipation of more records to be taken care of. This will also cover cost of shredding company to come in for state approved record destruction.

Ordinance codification – charter revision included. 101-01-022-052 says ordinance codification includes charter updates.

Total up \$6,290

Judge of Probate \$5220

Special services – no questions

Dept of Aging – zero out

## 5. Public Comment

a. Melanie Church, 328 Main Street – (1) payroll being done by outsource that were supposed to decrease cost and now have full time person and do away with payroll company for 25,000; (2) pension and medical especially for retirees – retirees do not have a vote and the membership can vote out insurance and benefits, life insurance and it goes away and the people working only care about themselves and lose out. (3) non professional in BOE, secretaries etc even after we stopped defined pension it continued for them until 2-3 years ago. Ann Marie Rheault stated they cover their pension separately. Melanie Church stated those may be added money and why amount higher for defined. AnnMarie stated BOE is totally separate. (4) complement to Mayor Merchant on dead people on insurance and it saved us money and how all of a sudden this went up. Where is that money? (5)

microfilming money needs to be left in and get town records caught up. Microfilming has not been done in years. (6) journal of the Council needs to be put in town clerk's office as we do not have one and it is part of our charter and money to be left to get caught up. (7) cut work week down to 4 day work week; negotiating 2 contracts and if need to do for financial it can be brought up as emergency thing. You can get arbitration ruling to do so in our favor. Chairman Zovich stated to do that work would not get done, townspeople would be unhappy to come in on a day they needed something and place is closed. He addressed point that on switching payroll service was not to save money in payroll clerk but due to 400,000 social security error committed and payroll service has virtually 99.9% accuracy. We negotiated with IRS on penalty.

b. Jim Mozalak, 18 Carriage Drive – (1) last item on salary fire marshal, understand we have 2 part time and one full time. Chairman Zovich stated we have not gotten to that budget yet and we will be on them. (2) how many people from the town, wife worked for BOE and does not get medical benefits and pays own; who gets medical paid; Ann Marie Rheault stated no idea on contracts as difference. Mr. Mozalak stated law is when hit 65 with Obama Care you need to pick up supplement, reviewed changes to law.

c. Dan Gentile, 269 Mt. Tobe – insurance and biggest killer; resolve to it and hope the BOE and town work together to fix. AnnMarie Rheault stated there was a meeting with the state today. BOE has 400,000 increase to insurance and the Superintendent signed 3 mou's which are outside of the contract and you can make those outside the contract. Communication is crucial and need to get together with BOE and town.

d. Melanie Church, 328 Main – suggestion is for unions who are on hold for increases and have given percentages to non union and hold off and cut increases this year for everyone not part of the union. We cannot afford raises.

e. Jim Mozalak – disagree with BOE as his daughter is a school teacher for 17 years and has given up raises quite a few times and not at top of step; you have people in central office on different insurances and Mr. Gentile can verify such as superintendent and office staff. Chairman Zovich stated the BOF can make recommendations but we do not get into their line items.

## 6. Board Members' Comments

a. Vicky Carey – bond meeting tomorrow night

b. Pattie DeHuff – (1) hearing new things from Melanie never heard about retirees not having a vote and maybe a potential area to go after and wants clarification on that and weigh against that the town gave our word to these people. Chairman Zovich stated when you have collective bargaining agreement those are considered property rights and cannot be taken away and does not know procedure to take away. (b) dead people taken off roles and savings should go down and need to look at numbers. AnnMarie noted constant changes in healthcare items and it will not always continue to stay down; numbers come from Anthem bills.

c. Dan Murray – long way for 2 mills

d. Ralph Zovich – public hearing tomorrow night at 6:30.

## 7. Adjournment

**MOTION:** To adjourn by Jim Zalot; second Vicky Carey and the vote unanimous. Meeting adjourned at 8:55 pm

Respectfully submitted,

Robin Gudeczauskas  
Recording Secretary