

1. Call Meeting to Order- The Regular Meeting of the Plymouth Board of Finance was called to order on Thursday, September 15, 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, Dan Murray, Ralph Zovich. Excused absent: Jim Zalot. Also in attendance: Ann Marie Rheault, Director of Finance; Sue Murawski, Council Liaison; Robin Gudczauskas, Recording Secretary; Joe Kilduff, Tax Collector and Phil Penn, Business Manager, PBOE.

2. Pledge of Allegiance

3. Notice of Fire Exits

MOTION: To move items 9 & 10 after item 13 by Vicky Carey; second Pattie DeHuff. Discussion: concern with order held.

Pattie DeHuff withdrew her second; Vicky Carey withdrew her motion. Mr. Kilduff stated his report is included with the Finance Director's items and Executive Session.

MOTION: To move items 9 & 10 after item 14 and numbering then changes, by Vicky Carey; second Pattie DeHuff and the vote unanimous.

4. Acceptance of Minutes - July 21, 2016

MOTION: To accept the minute of July 21st by Vicky Carey; second Dan Murray. Discussion: none. Vote: unanimous with Pattie DeHuff abstaining.

5. Board of Education quarterly update – Phil Penn commented on end of fiscal year 15-16; with unused appropriation is \$59,000. BOE absorbed \$350,000 in increased outplaced special ed costs and 95,000 increase of pension costs beyond original budget and offset through 19 certified staff position turnover and salary savings; November freeze on discretionary spending; had mild winter with lower heating and overtime costs; special ed transportation costs came in lower than expected. Discussion held on \$919,000 in encumbrances; Mr. Penn reviewed encumber costs that do not have invoice yet ranging utility bills, legal bills. Previously have not done a final date to close out and will be proposing 180 days for future and at some point down to 90 days. Vicky Carey stated she looked through and there are oil, maintenance and big one is technology within budget had 300,000 encumbered including 300,000 this year's budget and asked to see detail on what you are encumbering, what they went for, which department. Chairman Zovich stated the BOE can move their money among line items as they see fit. Dan Murray, based on year end budget provided there is 900,000 encumbered and Vicky wants to know what it represents, what has been paid and the money left what is it attributed to. Further discussion held. Vicky Carey stated in report % expended is sometimes over 100% and why; Mr. Penn stated % are not being calculated correctly and thinking is it is being calculated by original not amended budget. Mr. Penn stated current 16-17 budget year is going well. Finished maintenance projects over summer. Pattie DeHuff stated there was a freeze in November and do you anticipate again his year; Mr. Penn stated specific reason was special ed costs that came at beginning of school year last year; only impose freeze if something adverse happened in budget.

6. Discuss & Take Action to authorize the Finance Director to allocate \$7,213 from the FY15-16 school budget surplus to the Capital Reserve Sinking Fund, as approved by the Plymouth BOE for a total amount of \$237,528 the maximum permitted by state statute. Chairman Zovich read into record correspondence, via email, dated Wednesday August 10th from Mr. Penn with copy to Ann Marie Rheault and Dr. Semmel.

MOTION: To authorize the Finance Director to allocate \$7,213 from the FY15-16 school budget surplus to the Capital Reserve Sinking Fund, as approved by the Plymouth BOE for a total amount of \$237,528 the maximum permitted by state statute by Vicky Carey; second Dan Murray. Discussion: Pattie DeHuff asked (a) if we have to do this; Chairman Zovich stated it is a request; (b) can it go back to general fund; Chairman Zovich responded the \$7,213 can and asked Mr. Penn what this money might be used for. Mr. Penn stated there are many different things and there have not been significant conversation with the facilities committee on that. Items that could be on the list include sidewalks at THS , \$20,000-30,000; upgrading windows at Fisher and that is an 80,000-90,000. Dan Murray asked if there is a list of items; Mr. Penn stated last time a list was reviewed it included windows, sidewalk and usually a quarterly basis review. Chairman Zovich asked about the 100,000 lying dormant. Mr. Penn stated it is not a dormant account but a grant account; distributed breakdown and reviewed his research to date. As he continues to refine the account feels there will be a second check coming. He also reviewed 20 years of records on state and federal health grant. History of research discussed stating the money was put to BOE side on lawsuit from a building project in 1990's and by the time the lawsuit was settled it was paid out of general fund and money in grant was forgotten. Vote: Dan Murray, yes; Pattie DeHuff, no; Vicky Carey, yes; Jay Dorso, yes. Motion carries.

7. Mayor's Report – no report

8. Finance Director's Report

a. Update on progress of independent audit by Blum Shapiro for FY2014-15 – Ann Marie, Phil Penn, Mayor Merchant and Nikoleta met with the state today with municipal financial advisory with update. Review held of summary of schedule of 2015 audit, loss of staff member, year end and now back to complete 2015 audit. Main item today with state was staffing in finance director office; posting was out and some resumes came in and most of what found was for lower level than required. Went back to recruiter to speak to partner and had a plan but then got email yesterday afternoon that Nicole is available to come back to work and came back today. Today's meeting main item was continuation being stressed that we are understaffed in that department and they are concerned in getting audits complete and back on track to be current with audits. Funds need to be allocated and proposal is Nicole can give 20 hours per week and request to add lower level staff person to do transactional oriented things in order to move forward with 15 audit and as they finish with 15 they will go into 16 audit. The 16 audit will not be done by December but if can get to almost current to file extension for 1-2 months that is a win. Overview given of items in place within her department for workload and priorities and propose that Nicole work for 6 months at 20 hours per week and then looking for lower staff 20-25 hours for 4 months totaling approximately \$50,000. Have \$7500 in budget. MAFC meeting resulted in they will be doing some work for us in doing benchmarking of other towns in normal operating environment of staffing levels and a written recommendation on our staffing. Mr. Penn stated this is 4th OPM meeting he went to and 80% of time was talking about staffing level which is their concern we need to get these done and so much pending due upon this. Discussion held. Chart distributed and reviewed noting blanks in column have been done. Phil stated 73 items were on list and as of today 23 to go. Tentative dates reviewed. Field work by Santo will be October 11 commencement with draft financial by November 11. Financing on additional staffing discussed; 30,000 in BOF contingency; we will need a special appropriation. Vicky Carey stated this needs to go to Town Council and need exact amount and she does not want to use BOF Contingency. Pattie DeHuff stated not opposed to using contingency fund. Ann Marie Rheault stated the Town has been given a directive from the state and not an option to get staffing; have to get audit done and she cannot do work by

herself. Chairman Zovich stated we do not want to underestimate amount and it does need to go to Town Council. Discussion held on projected cost for staffing. Chairman Zovich reviewed the charter on special appropriations. Dan Murray, has listened to all discussion and 3 things have been said (1) we can't screw around with this anymore; (2) Ann Marie needs resources to get job done; (3) we are putting money ahead of a program; we are worried about 30,000 in contingency and how much to go for appropriation and he does not know if plan we have will get her done what needs to get done. His concern is we have an experienced lady who knows what is going on; we have Blum Shapiro and they are a business and their whole purpose is to make money and find it difficult that if we go to them, we have a need and they should be able to say even if go out and hire 15 people to put here and get job done. Ann Marie cannot do that and do day to day and all other things she has to do and her statement is do not hold to November date is most honest thing. Ann Marie stated it is difficult to find people with municipal experience and would be constrained by training new. Mr. Penn stated need to be careful of consulting work independent auditors do; he stated out of resumes he went through he feels confident person will turn up; OPM will benchmark against Plymouth. Ann Marie Rheault to prepare memo with request for a special appropriation for October Town Council meeting.

9. Closing & Reconciliation of all Town Funds for FY2015-16:

- a. Report on preliminary trial balances of Major Governmental Funds. Chairman Zovich reviewed General Fund preliminary results. BOF can accept preliminary closing statement and Ann Marie can make adjustments; Total revenues are off by \$753,000; all is subject to audit; 440,000 is foreclosure sale proceeds. Joe Kilduff reviewed types of foreclosures. Ann Marie stated need to be careful in future how we budget for foreclosures. Review of expenditures held.
- b. Discuss & Take action on any internal transfer requests, as req'd for closing. Ann Marie will zero out for closing purposes and show departments in deficit the way they are. Budget overspent by 302,000 is the bottom line
- c. Review format & draft BOF narrative for "Citizens Annual Report". Draft narrative distributed and reviewed. Discussion held on departmental narratives due date with unaudited annual report. Recommendation to have a few hundred available at each voting location and note saying to please go on town website to view; take only if needed.

10. Implementation of amended General Fund budget for FY2016-17:

- a. Review Financial Summary report for period ending 08/31/16, budget vs actual. Reviewed, stated watching legal and employee benefits each month; there is a now an overtime tracking report weekly to the Mayor.
- b. Discuss & Take action on any internal transfer requests, if req'd. not needed.

11. Public Comment

- a. Melanie Church, 328 Main – (a) those emergency appropriations done were not voted on by the people and hope they are not aggregate. Chairman Zovich reviewed generator and antennae as one time emergency appropriations. (b) understand 306,000 in deficit not 400,000 reported. Chairman Zovich stated expenditures were over by 302,000. (c) one time appropriation can come out of general fund not contingency because it would be a new addition not part of the original budget. (d) where is our bond rating now where brining up bonding. Ann Marie stated we have not heard anything. (e) this 100,000 that you have found; does not understand why not coming back to the town. Mr. Penn stated it is and he gave the Finance Director a check tonight.

12. Tax Collector's Report – covered in previous items.

13. Executive Session to discuss Tax Sales & Pending Foreclosures

MOTION: To go into executive session for tax sales and pending foreclosures inviting our tax collector and council liaison at 9:26 p.m. by Dan Murray; second Pattie DeHuff and the vote unanimous.

Chairman Zovich called the meeting back in session at 9:56 p.m.

14. Discuss and Take Action, if required, on Executive Session

Chairman Zovich stated there is no action to be taken other than to thank Mr. Kilduff for his time.

15. Correspondence - none

16. Board Members' Comments

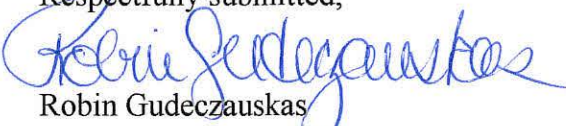
- a. Jay Dorso – good to hear what is going on in more detail
- b. Pattie DeHuff – (1) looking at minutes of 7/21/16, page 3, questioned bonding period and models. Chairman Zovich stated Ann Marie said it hadn't been determined yet; he believes when it went to public hearing at council she did mention a 20 year bond; discussion held. Amortization period will be 20 years. (2) we had money in last year's budget for fraud risk assessment and recalls Ralph saying it would be encumbered and it wasn't and what happened to that. Chairman Zovich stated since working on 14-15 audit and that was part of management recommendation, under Finance Director 005, looks like she has a 266,000 final adjustment; but will need to ask if encumbered. Pattie DeHuff stated concern is auditors said to do it, we put money in and did not do it and is cognizant Ann Marie is under pressure to get audits done and she wants it to be done but does not want it to interfere with what she has to do immediately; thinking when 16 audit is done, that fraud risk assessment is done.
- c. Dan Murray – Oct 20th will be in Houston; Nov 17 will be in Milwaukee and will be back for Dec 15th.
- d. Ralph Zovich - next meeting October 20th.

17. Adjournment

MOTION: To adjourn by Pattie DeHuff; second Jay Dorso and the vote unanimous.

Meeting adjourned at 10:08 p.m.

Respectfully submitted,


Robin Gudczauskas
Recording Secretary