

Town of Plymouth

Board of Finance

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1. Call Meeting to Order: Ralph Zovich, Chairman called the scheduled June 15, 2017, Board of Finance Meeting to order at 7:00 p.m. in the Community Room at Plymouth Town Hall. Members in attendance: Victoria Carey-Vice Chairman, James Zalot-excused absence, Jay Dorso-excused absence, Pattie DeHuff and Jim Kilduff Also present: Ann Marie Rheault, Director of Finance; Town Councilwoman Sue Murawski, Dr. Martin Semmel, Superintendent, Phillip Penn, Business Manager and Michele Yokubinas - Recording Secretary.

2. Pledge of Allegiance: Ralph Zovich, Chairman led the group in the Pledge of Allegiance.

3. Notice of Fire Exits: Ralph Zovich, Chairman noted the fire exits.

4. Acceptance of Minutes listed below: A motion was made by Pattie DeHuff, seconded by Vicky Carey to accept the minutes as follows:

Acceptance of Minutes:

- a. Regular Meeting April 3, 2017
- b. Regular Meeting April 6, 2017
- c. Regular meeting April 10, 2017
- d. Regular meeting April 17, 2017
- e. 1st Public Hearing April 20, 2017
- f. Special meeting May 11, 2017
- g. 2nd Public Hearing May 18, 2017

Comments, Questions or Concerns were asked after each listed and are as follows:

- April 3, 2017 - None
- April 6, 2017 - Correction on Item 4, Page 3 - Per Pattie DeHuff
Incorrect: Motion passes 3 to 2
Correct: The motion failed 2 to 3
- April 6, 2017 - Correction on Item 4, Page 5
Note: Suspect motion fails 3 to 2 and Pattie's vote Yes
Note: Follow-up (listen to tape)

- April 10, 2017 - None
- April 17, 2017 - None
- April 20, 2017 - None
- May 11, 2017 - Correction on Item 4, Page 3 - Per Pattie DeHuff

Before Line: Ann Marie Rheault confirmed that the Town of Plymouth's cash flow is fine.

Insert: Pattie DeHuff questioned Ann Marie Rheault if we were having any cash flow problems.

May 18, 2017 - None

Motion approved and passed unanimously.

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5. Board of Education quarterly update

Dr. Martin Semmel stated that he would like to continue to meet with the Board of Finance to discuss/explain information in the Board of Education Accounts by Facility Report; a brief discussion followed.

When questioned by Ralph Zovich, Phillip Penn stated these are claims that are still under the stop gap and briefly elaborated.

When questioned by Ann Marie Rheault regarding the limit before the stop loss, Philip Penn stated \$125,000 per claim and aggregate stop loss that sits at 125% of model claims and briefly elaborated.

When questioned by Ralph Zovich questioned fuel bill and transportation, Phillip Penn stated that the fuel was fine and briefly elaborated.

Ralph Zovich stated the \$58,000 shortfall in that line item would be "0" by the end of the year.

When questioned by Vicky Carey and Ralph Zovich, Phillip Penn if he would do end of year transfers; a brief discussion followed.

Jim Kilduff stated that he would like to learn more about this process and volunteered to go through it with Vicky Carey.

Vicky Carey stated that she still wanted that transfer report from the Board of Education.

When questioned by Vicky Carey, Phillip Penn stated that there was one year left on both bus contracts for out of district special education and all in district transportation.

When questioned by Pattie DeHuff, Phillip Penn stated he did not expect his encumbrances to drop further and briefly elaborated.

*Accounts by Facility Plymouth Board of Education

Grand Total for Report

	Orig. Budget	Adj. Budget	Mtd Expended	Ytd Expended	Encumbered	Non PO-Encumb	Balance	%Exp.
Grand Total for Report	\$23,912,791.00	\$23,912,791.00	\$2,020,223.72	\$19,653,594.06	\$368,517.28	0.00	\$3,890,679.66	83.73%

Pattie DeHuff thanked both Dr. Martin Semmel and Mr. Philp Penn for all of their hard work and efforts.

Ralph Zovich stated that he appreciated all of the hard work that everyone does.

Jim Kilduff stated that their presentation and thoroughness was greatly appreciated. Thank you both!

6. Finance Director's Report - Update on progress of independent audit for FY2015-16 by Blum Shapiro.

Ann Marie Rheault stated the Auditor came out today, would be back tomorrow, would starting working on cash reconciliations and would tentatively be back on the June 28, 2017 and briefly elaborated.

When questioned by Ralph Zovich, Ann Marie Rheault stated that she was not sure where the LoCIP monies noting it was Charlie Wiegert's department who applies for that money.

Ann Marie Rheault filed/reported the appointment of auditors - Blum Shapiro to the State of Connecticut for 2017 and filed the final budget with the OPM.

Ann Marie Rheault confirmed that the Original budget was filed with the Town Clerk and had been posted on the Town's website the day after.

Ralph Zovich stated that everything the Board of Finance does going forward would be amended.

7. Discuss & Take Action to authorize endorsement of a revised Sinking Fund agreement only if approved by Bd. of Education.

Jim Kilduff made a motion to authorize Ralph Zovich to countersign the Sinking Fund agreement, seconded by Pattie DeHuff. Motion passed unanimously.

8. Implementation of General Fund budget for FY2016-17:

a. Review Financial Summary report for period ending 05/31/17, budget vs actual.

Ann Marie Rehault distributed her working copy of the Town of Plymouth, General Fund Revenue/Expenditures Summary Year to Date as of 5/31/2017 and highlighted some changes to date as of 6/15/2017.

	EXPENDITURES BY DEPARTMENT	Y-T-D VARIANCE POS. (NEG.)	PERCENT VAR. POS. (NEG.)	Ann Marie Rheault Comments
017	Legal Services	86,617	59.43%	Started expended on our legal for our labor attorney on this line item so it will not stay at the heightened level that it is at now.
019	Prop. & Liability Insurance	(23,463)	-2.51%	Over, but should be able to cover that between Dept. 020 & 021.
020	Employee Benefits	312,072	9.91%	Still have one month of Anthem bills to pay -will come down.

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021	Heart & Hypertension	49,390	97.80%	Did not have to pay out.
040	Snow Removal	(22,645)	-6.75%	Deficit in salt and sand – overall still running under budget in total for all Public Works departments.
Vicky Carey questioned 101-01-003-045	Safety	(4,536.91)	-302.46	As a result of the OSHA items that, we have. This is one line item that I will be requesting a transfer to cover that line item. Ongoing requirements for all safety committees/programs.
032	Police Department	182,413	8.75%	
		2017 Ending Balance		*As of June 15, 2017
*101-02-032-010	Extra Duty	(324,522.29)		Ignore extra duty number since there is an offsetting revenue piece. We also do adjustments for the benefit pieces and pension that goes along with those two offset against. There is a much higher off setting revenue number in the revenue. Note: My intent is to cover any overages in overtime by not transferring any of those to extra duty, keep that department level, and keep a portion of that in the general fund.
035	Communications/Dispatch	(5,633.15)		
038	Plymouth Station	(2,148.04)		Heat, Electricity, Gas and Water –They have been budgeted a certain amount for their utilities – has not kept up with what we were actually paying – for 2018 we have increased those items to reflect actuals where we are now.

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101-03-041-603	PR GIS Map Town Inv. For DTDF	20,292.43		Holding Account will be transferred over to Cap Projects
101-04-067-001	Dial a Ride Vehicle Repairs	9,052.87		No significant repairs that we had anticipated for

Ann Marie Rheault distributed General Ledger YTD Actual Revenue vs. Budget Period 01-11, Fiscal Year 2017 page 1 of 4

Ralph Zovich stated Joseph Kilduff had given the Board of Finance a summary of the tax collections as of May 31.

Ann Marie Rheault stated the Motor Vehicle Supplemental has some overages and that item was offsetting some of the deficit in the prior year in the tax revenue. Ann Marie Rheault stated Joseph Kilduff and Nicole have worked extensively on is the reconciling of our tax revenue, between the tax system, cash receipts and ledger. There is a lot of adjustments, returned checks and the movement within buckets; balanced all of 2016 in process of balancing 2017, and were working on an ongoing basis in completing this on a monthly basis.

Ann Marie Rheault stated there was a tax clearing account, which is short-term holding account, and there is a timing difference and you need to make sure that everything balances.

Discussion: General Ledger YTD Actual Revenue vs Budget Pgs. 1 – 4 Report as follows:

Ann Marie Rheault stated the line item 099 Board of Education ECS Grant Money offsetting access cost.

When questioned by Ralph Zovich, Ann Marie Rheault stated she would look at that line item since there was some flip-flop between that and Historical Documents – it is a categorization issue currently within those accounts.

When questioned by Vicky Carey, Ann Marie Rheault stated 051 Building Department should be a positive, but calculating on a negative number and briefly explained.

Ann Marie Rheault stated Safety line item 101-01-003-045 as of June 15 was \$5,000 in deficit.

Ann Marie Rheault stated the Registrar's Office -011 as of June 15 their department is completely expended and has gone over their budget and presently on furlough until July 1.

When questioned by Pattie DeHuff if the Registrars had any State obligations to fill, Ann Marie Rheault stated if they were the Mayor would have to come up with a plan for that; a brief discussion followed.

Ann Marie Rheault stated utilities were \$47,000 under budget but still may have other utilities bills that need to be paid.

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Ann Marie Rheault stated Police Department based on this week's payroll the overtime line item is at an overage of \$32,000 for salary overtime and briefly elaborated.

Ann Marie Rheault stated Police Department –Training 101-02-0-011 is an overage for them.

Ann Marie Rheault stated 059 Special Appropriations appears over budget but I did not put budget number in there.

When questioned by Pattie DeHuff regarding furloughs for the Police, Ann Marie Rheault stated, at this time of year, she did not know, look at police department in total. Would then determine what portion of extra duty would cover overtime overages for them, which makes sense for them.

Vicky Carey stated Ambulance Corp's service contracts were over by \$5,000, and their electricity was over by almost \$3300

Ann Marie Rheault stated this is another item that had not been budgeted for correctly by not keeping up with actuals.

Ralph Zovich stated were they part of the energy conservation project that is Town wide.

b. Discuss & Take action on any internal transfer requests, if req'd before closing.

No action

c. Discuss any other actions to prepare for closing of FY16-17 budget year.

Ann Marie Rheault stated there were outstanding bills, would be sending out an internal memo and question if departments need to encumber and briefly elaborated.

When questioned by Pattie DeHuff regarding Police Account overages, Ann Marie Rheault stated we would see where the extra duty was and what we have available in extra duty and if there is a portion of that we can keep in the general fund.

9. Review full impact of "Original" FY2017-18 General Fund budget adopted by Council, discuss potential structural deficits & action plans for future BOF adjustments on town operations if state funding is reduced.

a. Discuss & Take action on any internal transfer requests, if required.

Ralph Zovich read into record an email from Joe Kilduff, Tax Collector dated June 14, 2017, which stated the following:

The following message has been circulating on the Tax Collector's email tree that many towns are looking at doing.

Title 7 – Municipal Chapter 117

Sec. 7-567.

Additional property tax to pay current year's expenses. If during any fiscal year any municipality determines that it has failed to levy necessary taxes or to levy a tax which, in addition to all other estimated yearly income of such municipality is sufficient to pay the current expenses of such municipality for such fiscal year, the board with the powers to levy taxes for such municipality may levy a tax or additional tax upon its grand list applicable for such fiscal year for the amount sufficient to pay its current year's expenses and determine the due date of such tax levy.

(P. A. 93-421, S. 8, 22.)

History: P.A. 93-421 effective July 1, 1993.

Ralph Zovich stated that is on the revenue side. The above explains that the statutory authority already exists we do not have to rely on the general assembly to implement a legislation that allows us to issue a supplemental tax bill. Ralph Zovich stated since we already levied a 10% tax increase so we probably would not want to go there and elaborated at length.

Pattie DeHuff confirmed the statute section number: Connecticut Statue 10-222

Ralph Zovich stated this Connecticut General Statue Section 10-222 gives the Board of Education full control over their budget once the municipality has approved their allocation. Ralph Zovich clarified that we cannot take the money back.

Ralph Zovich stated a suggestion that was sent directly to him from David Dudley, 19 Barry Road, Plymouth, CT in reference to Agenda Item 9a: Mr. Dudley's email read as follows:

Comments:

Information concerning this is made public: Has the Board of Finance identified state funding to the relevant matching budget costs? Has the Board of Finance identified the programs that will have reduced funding or elimination? This is both Board of Ed and Town portions of the budget. Has the Board of Finance identified the labor reduction that maybe related to it? The answer is not to fully absorb the affect of the State by increasing the mill rate. That is already having a negative affect on the Towns Property Valuation. Ralph Zovich stated unless implementer legislation that the general assembly grants a one-time authority for the municipality to take money back from the Board of Education.

Jim Kilduff stated that people need to understand that there is a difference between programs and departments. Everyone is in this together and we need to all come and work together to be able to understand and to be able to make informative decisions.

Pattie DeHuff stated we need to have a community conversation and to think differently about things; noting what we have come to expect from the local government may no longer be expected.

Jim Kilduff stated we have an over reliance on property tax and State funding.

Ralph Zovich stated the purpose of this item tonight was to keep this all in mind.

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Vicky Carey stated regarding possible major cut, including services, etc., the Mayor will have to renegotiate in good faith and change things and we have to start thinking differently, noting that four unions are coming up and need to be negotiated, noting we do not know what will happen until the State budget is finalized.

Ralph Zovich stated we should have contingency plans and they should be in place in case they need to be implemented. Ralph Zovich stated the Compensation line item regarding the deficit; the other option would be to aggressively solve the workers compensation issues, noting that could free up \$68,000, but that is a labor management issue. Ralph Zovich stated take into consideration if we do nothing, and all the planned retirees take place, they will eat into our reserve allocation and deficit drops to bottom line and briefly elaborated.

10. Public Comment

James Mozalak, 18 Carriage Drive, Terryville, CT stated bring industry to town would help and briefly elaborated. He further questioned if and when supplemental tax is sent out.

Melanie Church, 328 Main Street, Terryville, CT, questioned supplemental tax; that she prefers a Town Manager and briefly elaborated. Melanie Church questioned the rules of the Charter and briefly elaborated.

Gary Belanger, 256 Main Street, Terryville, CT - Happy with the way the Board of Finance handled the budget process.

11. Correspondence

Letter read into record to Mr. Joseph Kilduff, from Ralph S. Zovich, Chairman, dated June 12, 2017, RE: Notification of Tax Rate Approval

12. Board Members' Comments

Jim Kilduff -None
Pattie DeHuff -None
Vicky Carey -None

13. Adjournment

There being no further business of the Board of Finance, a motion was made by Pattie DeHuff, seconded by Vicky Carey to adjourn at 10:15 p.m. This motion was approved unanimously.

Respectfully submitted,

Michele Yokubinas

Michele Yokubinas
Recording Secretary