

Town of Plymouth

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Board of Finance

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- 1. Call Meeting to Order:** Ralph Zovich, Chairman called the scheduled June 8, 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, Jay Dorso, Pattie DeHuff and Jim Kilduff Also present: Ann Marie Rheault, Director of Finance; Town Councilwoman Sue Murawski, 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. Discuss & Take Action to set the property tax rate at _____ mills for FY2017-18.**

Ralph Zovich clarified the budget that was adopted by the Town Council on Tuesday, June 6, 2017, which now constitutes the original budget, which is the \$41,025,552 that failed at the second referendum. We are now at \$41,025,552, which is the maximum 3% increase that the charter allows.

Ralph Zovich stated anything that we do at this point forward by definition now becomes the amended budget. The town clerk will file the original budget that was approved by the Town Council as of June 7, 2017 with the Property Mill Rate of 39.69 excluding motor vehicle.

James Zalot made a motion to set the property tax rate at 39.69 mills excluding motor vehicles, seconded by Jim Kilduff.

Discussion

Ann Marie Rheault stated compensated absences are the payouts of any accrued sick time that is owed to an employee when they either retire or leave, according to their own individual contracts.

Ann Marie Rheault stated she estimated originally \$50,000 in budget line item 101-01-020-097 - Compensated Absence Payouts.

Ann Marie Rheault stated that if the Board of Finance does not add at least another \$50,000 to that line item -Compensation 101-01-020-097 there would be a structural deficit going forward.

Ralph Zovich stated the Board of Finance going forward regarding the fiscal year 2017-2018 would need to when making decisions take this all into consideration. The Board of finance may have to go back to the town council for special appropriation or use our statutory authority to transfer funds from somewhere else.

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TOWN CLERK'S OFFICE
RECEIVED FOR RECORD
PLYMOUTH, CT

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Ralph Zovich stated there is no state budget as of today, if they cut our funding; we may have to come back and revisit this budget and make rescissions.

Ann Marie Rehault stated that she came up with the figure aware of the maximum figure allowable payout.

Jim Kilduff questioned if they can hold off on replacing those retired employees or have those starting salaries start at a lower range.

Ann Marie Rehault stated some are union positions and you would not have that option to fill them at a lower rate unless the contract was renegotiated at a different rate.

Pattie Defuff questioned the number of individuals leaving.

Ann Marie Rehault confirmed she is aware of at least three individuals presently.

Ann Marie Rehault confirmed that even if an employee quits that some are also entitled to those payouts being it is in their contracts.

Ralph Zovich stated some of those contracts are ridiculous and those contracts should be revisited.

Ralph Zovich stated that he is hoping that when we close the budget on June 30 that some of the surplus might offset deficits.

Ann Marie Rehault stated if any payouts come to fruition, we would be in structural deficit in that line item 101-01-020-097 –Compensated Absence Payouts.

Ralph Zovich stated as we go into the budget in July we could then discuss possible options. If the General Assembly cuts our revenues after July 1 - we will be out of balance. We cannot allow a budget to go into effect out of balance. We have to deal with what we know of as right now!

Joe Kilduff stated that he may have to implement a car supplemental tax or we will come up short.

Joe Kilduff informed the Board of Finance that town is authorized to mail out tax bills by the July 1, 2017 deadline.

Ralph Zovich stated remember that all financial decisions have consequences.

Jim Kilduff stated withdraw my second.

James Zalot amended motion to add the 32-mill cap on the motor vehicle.

Vicky Carey stated we need to vote entirely on what the Town Council approved with no changes. Anything we need to amend or change needs to be made after July 1, 2017.

Ralph Zovich stated that Joe Kilduff is making it clear for the record that if they change the law and he is compelled to follow the law he will reprint supplemental motor vehicle bills.

James Zalot amended motion is as follows:

James Zalot made a motion on the \$41,025,552 budget to set the property tax rate at 39.69 mills and the motor vehicle tax rate is capped by state law at 32 Mills, seconded by Jim Kilduff.

Jim Kilduff -Yes
Pattie DeHuff -Yes
Vicky Carey -Yes
James Zalot -Yes
Jay Dorso -Yes

This motion was approved unanimously.

5. Discuss & Take Action to appoint Blum Shapiro as independent auditors for all town accounts for the fiscal year ending June 30, 2017.

Vicky Carey made a motion to appoint Blum Shapiro as independent auditors for all town accounts for the fiscal year ending June 30, 2017, seconded by James Zalot.

James Zalot -Yes
Pattie DeHuff -Yes
Vicky Carey -Yes
Jim Kilduff -Yes
Jay Dorso -Yes

This motion was approved unanimously.

6. Discuss & Take action to approve the Tax Collector's Suspense List for FY2016-17.

Ralph Zovich read into record the Tax Collector Suspense List dated June 8, 2017 submitted by Joseph Kilduff, Tax Collector for these items to be suspended.

Note: This is a state law that this has to be completed by all town tax collectors by the end of each fiscal year (June 30) for either the Board of Finance or Town Council approval dependent on that town's individual structure.

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Vicky Carey made a motion to make the following suspensions, Personal Property: 136 Accounts totaling \$40,323.18, Motor Vehicle: 495 Accounts totaling \$78,033.40 and Motor Vehicle Supplemental: 154 Accounts Totaling \$13,926.47, seconded by Jay Dorso

Jay Dorso -Yes
Jim Kilduff -Yes
Vicky Carey -Yes
Pattie DeHuff -Yes
James Zalot -Yes

This motion was approved unanimously.

Ralph Zovich distributed to the Board of Finance the Town of Plymouth -Tax Collections by Month, Fiscal Year 2016/2017 (as of 5/31/17)

7. TABLED: Discuss & Take Action on the revision to Capital Expenditure Sinking Fund agreement approved by Board of Education on Feb. 8, 2017

Vicky Carey made a motion to take off table the revision to the Capital Expenditure Sinking Fund agreement approved by Board of Education on February 8, 2017, seconded by Jim Kilduff.

All in favor say I, opposed, abstentions, it is unanimous

Chairman Ralph Zovich read into record the revision by the Board of Education to the existing OPERATING AGREEMENT AND PROCEDURES BETWEEN THE BOARD OF FINANCE AND THE BOARD OF EDUCATION OF THE TOWN OF PLYMOUTH REGARDING A NON-LAPSING CAPITAL EXPENDITURE SINKING FUND. (Dated 2/8/17)

Ralph Zovich stated this agreement was approved/adopted by the Board of Education on February 8, 2017.

Ralph Zovich stated they are asking in the revision under item No. 1 - to remove the cap and to allow them to put up to 1% of the Board of Education's operating budget for that fiscal year into this fund every year instead of being capped.

Ralph Zovich stated that the Board of Education already voted to adopt this; we cannot make changes to this the way it is presented.

Ralph Zovich stated the options are to approve, reject and/or reject and make proposed revisions.

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Pattie DeHuff made a motion to reject this revised operating fund by the Board of Education, seconded by Vicky Carey.

James Zalot -Yes
Pattie DeHuff -Yes
Vicky Carey -Yes
Jim Kilduff -Yes
Jay Dorso -Yes

It was unanimous - rejected.

Discussion of revisions

Ralph Zovich stated he has a proposed revision that he would like the Board of Finance to consider.

Ralph Zovich stated if we propose any revisions, it still would have to go back to the Board of Education for their approval.

Ralph Zovich stated amend item No. 1 after allocated to the Fund, insert the clause “and subject to approval by the Board of Finance,…”

Vicky Carey suggested discussing each item one at a time.

Ralph Zovich stated (mutual consent) we have to both agree how much will go into the sinking fund and how much will be returned to the general fund.

Ralph Zovich stated the other part that would need to be amended would be allocation shall be recorded following the end of the fiscal year.

Ralph Zovich gave hypothetical for clearer understanding example 1% of their operating budget right now is \$240,000, if they came to the Board of Finance with the present agreement they could not put any more money in since they are at the maximum.

Ralph Zovich stated - If going forward with the proposed revision Ann Marie Rheault - Finance Director and Philip Penn- Board of Education, Business Manager would then have to negotiate. If they could not come to an agreement, nothing further would go in since it is at the subject of Board of Finance’s approval.

Ralph Zovich stated by changing No. 1 and making this subject to Board of Finance approval. We will control ultimately how much goes into the sinking fund.

Ralph Zovich stated then at no time could it ever be more than the 1% of their annual operating budget.

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Ann Marie Rheault stated wording wise in item No. 2 - it should state, "Cannot exceed 1%" and strike the word "more than".

Ralph Zovich stated error in last line missing word should read Connecticut General Assembly.

Ann Marie Rheault stated item No. 4 strike "the consent of the" and replace with "must receive approval by the Board of Finance."

Ann Marie Rheault pointed out inconsistencies in document when referring to either Board of Finance or Board of Education where it should state Plymouth Board of Education and Plymouth Board of Finance and should be consistent throughout entire document.

Ralph Zovich stated this will be corrected throughout entire document to be consistent.

Ralph Zovich stated plural error in item No. 3 - the word ground should read "grounds".

Ralph Zovich this will then have to go back to the Board of Education for approval. If it is rejected then we are back to the original agreement.

Vicky Carey stated if approved it needs to be presented to the town council.

Ralph Zovich stated item No. 1 strike "Both agree that the" and replace with "The Board of Education ..."

Ralph Zovich stated if tonight this is approved, I would then send the Board of Education the revisions/corrections.

Ralph Zovich stated and confirmed that everyone was in agreement with all markups made by the Board of Finance.

Jim Kilduff questioned one of the items was the discussion of consolidation of the schools. Is this the time that we should be revising and granting the Board of Education the ability to move money around to their advantage?

Ralph Zovich stated, Even if they do a consolidation in the future they will still need to maintain four facilities. The sinking fund was set up by the State of Connecticut General Assembly to provide some capital reserve.

Ralph Zovich stated that this fund can only be used for facilities capital repairs to the facilities and equipment purchases that are related to the buildings and grounds. This sinking fund cannot be used for operating expenses. Any operating expenses have to be dealt with separately.

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Pattie DeHuff made a motion to propose this revision to the OPERATING AGREEMENT AND PROCEDURES BETWEEN THE BOARD OF FINANCE AND THE BOARD OF EDUCATION OF THE TOWN OF PLYMOUTH REGARDING A NON-LAPSING CAPITAL EXPENDITURE SINKING FUND by the Board of Finance as revised/rewritten for the Board of Education's consideration, seconded by Jim Kilduff

Jay Dorso -Yes
Jim Kilduff -Yes
Vicky Carey -Yes
Pattie DeHuff -Yes
James Zalot -Yes

Motion passed

8. Public Comment

Gary Belanger, 256 Main Street, Terryville, CT questioned in reference to the Town Council's meeting on June 6, 2017, when they set the bottom line. Does the Board of Finance have the authority to amend budget anyway that you like even prior to the end of the school year?

9. Correspondence

Received from Anita Bergoderi – Science Department Coordinator at Terryville High School dated May 17 - an invitation to the STEM career fair held on May 22, 2017.

Received - May 1, 2017 -Board of Education's school budget spreadsheet.

10. Board Members' Comments

Jim Kilduff -None
Pattie DeHuff -None
James Zalot -None
Vicky Carey -None
Jay Dorso -None

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11. Adjournment:

There being no further business of the Board of Finance, a motion was made by Jay Dorso, seconded by Vicky Carey to adjourn at 8:15 p.m. This motion was approved unanimously.

Respectfully submitted,

Michele Yokubinas

Michele Yokubinas,
Recording Secretary