

MINUTES OF THE WORK SESSION MEETING

August 28, 2006

Present: Selectmen James Galligan, Richard Dunne, Dennis Crowley, Town Administrator, Suzanne Kennedy and Administrative Services Assistant, Celeste Hanson were present. Selectmen Kent Scott arrived at 6:10 p.m. and Glenn Trindade arrived at 6:25 p.m.

6:07 p.m. – Chairman Galligan called the work session to order in Sanford Hall of Town Hall. All stood for the Pledge of Allegiance.

Public Comments: None.

Approve and sign warrant:

- Selectman Dunne moved that the Board approve and sign warrant nine (9) for fiscal year '07 as read in the total amount of \$87,925.66; Selectman Scott seconded; All ayes 4-0-0 (voted).

Approval of Board and Committee Appointments:

- The Board executed the Cable Advisory Committee Certificate of Appointment slip for Paul Marble as previously approved (8/21/06).

Approval of the September 19 State Primary Warrant:

It was moved and seconded that the Board accept and approve the September 19, 2006 State Primary Warrant as requested by the Town Clerk; All aye 4-0-0 (voted). Selectman Crowley announced that the State Primary will be held at the Medway Middle School from 7:00 a.m. to 8:00 p.m.

Approval for a Special Event License:

- Selectman Trindade moved that the Board approve the request a Special Event License as requested by Community Church fair on Saturday, September 30 from 9:00 a.m. to 3:00 p.m.; seconded by Selectman Scott; All ayes 4-0-0 (voted).

Report of the Town Administrator:

- Administrator Kennedy reported that she is still conducting interviews for the Town Accountant and expects to make a decision by the weekend. Administrator Kennedy reported that an offer had been made for the Assistant Town Accountant and expects the individual to begin working in mid-September.

Audit report/update of Frank Biron, Melanson & Heath

- Mr. Biron provided an explanation of the Town's 2005 financial audit. Mr. Biron indicated that the figures in the report are now almost nineteen (19) months old. Mr. Biron indicated that the Town's financial crises is primarily due to overly optimistic revenue projections and inadequate estimates of expenses. He suggested that the town should be more conservative when reporting such data in the future. Mr. Biron indicated that the Town's books were unauditible last year at this time

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but the books have drastically improved this year and are pretty much up to date. Mr. Biron reviewed each section of the financial audit and provided explanations for the categories reported as warranted. Mr. Biron explained that fund balances that are in parentheses are not good as it reflects a negative fund balance and, therefore; affects the Town's free cash position. He indicated that for the past three years, these balances have shown a negative position. This also has a negative effect on the Town's bond rating. Mr. Biron also explained final budget and actual budget positions. Mr. Biron noted that some final budgets show negatives (deficits). Overspending these budgets are illegal, departments can not and should not over expend their voted departmental budgets. The only budget that can be overspent under Massachusetts General Law is the Snow and Ice budget because of public safety issues. The departmental budget deficit balances create financial stress to the Town as the Town has the burden and responsibility of raising, borrowing money to cure each department budget deficit.

- In closing, Mr. Biron indicated his opinion that the 2006 audit should be completed within the next few months. Mr. Biron answered questions from the board members and then explained the Management Letter. Mr. Biron indicated that the Management Letter contains the results of a study and evaluation of the Town's internal accounting controls. The Management Letter contains comments and recommendations intended to assist the Town with improving operations and internal accounting controls.

Report of the Accounting Consultant:

- Mrs. Virginia Cahill, Acting Town Account was present to give an accounting update. Mrs. Cahill indicated that she is preparing to work on the special revenue ledger accounts and also expressed her concerns relative to the lack of financial staff which is impacting her ability to complete the tasks necessary in order to settle and close books for the 2006 audit.

Fall Town Meeting Discussion:

- Vice Chairman Dunne brought Chairman Galligan up to date relative to discussions that occurred at the August 21 2006 Selectmen's meeting regarding reasons to convene a possible Special Town Meeting.
- Library Trustee Chairman, Wendy Rowe explained that the Library Trustees plan to utilize trust fund monies to assist with expanding the operational hours of the library from 20 to 32 hours per week in order to maintain certification from the State. However, the library can utilize all the funds in the trust to remain open for the remainder of the fiscal year. Chairman Rowe stated that the library trustees are asking for \$138,000 in order to keep the Library staffed and certified. Without certification from the State, the Medway Library will not be able to borrow materials from other state libraries through the Minuteman library network. Chairman Rowe stated that she drafted warranted articles and is ready to start a petition in order to hold a Special Town Meeting. Chairman Rowe indicated that the Library has not replaced the Director and will not be replacing the full-time

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Children's Librarian (Nina Hunt) who recently resigned. The Library Trustees have decided to fill vacancies with part-time staff who will not be receiving benefits in order to help defray the operational costs. Chairman Galligan stated that the Library Trustees need to submit an updated budget and necessary backup documents that support the increase in hours for review by the Town Administrator and Board of Selectmen. Chairman Rowe stated that she is also willing to arrange for the State Library Commission to meet with the Board of Selectmen to discuss the certification matter.

- Dr. Richard Grandmont, Superintendent of Schools came forward and stated that the School Committee is also sponsoring warrant articles to utilize some of the funds received from the Town's additional state aide monies to eliminate an increase of school sports activity fees (to \$200.00 dollars per student/per sport) and to also eliminate plans to institute a seventy-five (\$75.00) dollar fee for students who participate in extracurricular activities. Dr. Grandmont stated that the School Committee is also sponsoring another warrant article asking for \$125,000 to repair the McGovern School parking lot.
- Community Preservation Committee Chairman, Mark Cerel came forward and stated that the CPC is recommending that the Town pay an additional \$500,000 (utilizing CPC funds) to the Narducci's as final settlement for the 2-B Oak Street property that was taken by eminent domain two years ago. As part of settlement, the Town must forward payment to the Narducci's by October 31, 2006.
- The Board entered into a discussion regarding proposed warrant articles and holding a Special Town Meeting. Selectman Trindade moved that the board vote to approve holding a Special Town Meeting on Monday, October 23, 2006 at 7:00 p.m. and to open the Special Town Meeting warrant as of Monday, August 28, 2006 and closing the Special Town Meeting warrant at the close of business on Monday, September 11, 2006; seconded by Selectman Dunne; All ayes 5-0-0 (voted).

Other Business:

- Selectman Scott announced that the Government Study Committee will hold its first meeting on Wednesday, August 30 at 7:30 p.m. in Sanford Hall and encouraged interested parties to attend.

9:10 p.m. There being no further business to discuss, Selectman Trindade moved that the regular session meeting be adjourned; Selectman Scott seconded; all ayes 5-0-0 (voted).

Respectfully submitted,

Celeste Hanson
Administrative Services Assistant

NOTE: APPROVED BY BOS ON