

FINANCE COMMITTEE  
Minutes

Date: June 26, 2006

Time: 7:00p.m.

Present: Turbitt, Raymond, Hachey, O'Connor, Tripaldi, Hebert, Floser

Absent: None

Meeting called to order at 7:00p.m.

**Correspondence from David Roach, Superintendent of Schools, was passed out to the Committee.**

Motioned by Turbitt, seconded by O'Connor to accept the minutes of June 19, 2006 as written. Unanimous.

Raymond: We are scheduled for a joint meeting with the Board of Selectmen on Tuesday, July 11, 2006 at 8:00p.m.

Raymond: I spoke to the Building Inspector today concerning his transfer. I had hoped that another transfer request would be in our box today. We need a valid request from him. I explained to him that I needed an updated request and that it would have to be an interdepartmental request not a reserve fund request.

Floser: I am not sure how to vote on this. If it was that important to him, then the updated request would have been in our box today.

Raymond: The Town Manager cut his budget for next year. He also cut the other inspectors. I had many questions on what he is actually using the money for. I told him that the Finance Committee does not like to re-budget outside of Town Meeting.

O'Connor: It is not his fault that he was left out of the transfers at the Town Meeting.

Raymond: He seemed very surprised that the money was transferred from his account without his knowledge.

O'Connor: The Selectmen made the Town Manager justify the transfer on Tuesday, before they gave their opinion.

Raymond: The Building Inspector assured me that this will not happen next year.

Floser: If they really wanted it, they would have put the proper paperwork in our box today.

Turbitt: Paul may not have told him about it.

Floser: As a department head, he should get involved and find out what is going on.

O'Connor: It's Paul Guida's fault. He did not get the proper information together for him.

Roger: We can vote on this contingent to getting the proper paperwork.

O'Connor: He should work around your schedule to get you in to sign it.

Motioned by Floser, seconded by O'Connor to approve the interdepartmental transfer of \$5000 for the Building Inspector contingent on proper paperwork and to allow the Chairman of the Finance Committee to sign said paperwork for Fiscal 2006. Unanimous.

O'Connor: I have some comments concerning the Year-End Transfer report given to us by the Town Manager. I want to note that these comments do not include a request for additional information. I want you to know that there were no written explanations provided for transfers to the Municipal Office Building in the amount of \$31,000; the Board of Health in the amount of \$13,050; Town Counsel in the amount of \$40,000; and Employee Benefits in the amount of \$48,650. Also, the Millbury Public Library Director states that if the Finance Committee had accepted her budget as written, there would be no request for the transfer of any money. The Director does not indicate which fiscal year budget is being referred to. If she was referring to the FY07 budget, what would that have to do with any shortfalls during FY06? Also, the DPW manager provides a list of reasons for budget shortfalls; but, there is no specific tie out to the myriad of transfers for the DPW, Parks and Cemetery departments totaling \$148,900. I just wanted to make it known and on record, that I did read this report and what my findings were.

### **RESERVE FUND TRANSFER**

Raymond: We need to make a transfer from the Reserve Fund to cover our Salaries All Others until the end of the fiscal year. The amount is \$67.50.

Motioned by Turbitt, seconded by Tripaldi to transfer \$67.50 from the Reserve Fund to the Finance Committee Salaries All Others account number 01-131-5113-0000. Unanimous.

### **Gary Nelson, Sewer Commissioner, was in at 7:25p.m.**

Gary Nelson: I know that you are asking for a reporting of accounts. I had hoped that Mary Ann and Denise would be here to help with these reports. I feel the need to let you know that we will be going through a transition in our office. Sharon gave her notice and we are in the process of looking for a new clerk.

Raymond: We would like to look at what you use for checks and balances for your accounts. We would also like updates on the finances on the projects.

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Turbitt: What happens if the Board of Selectmen do not agree to close Greenwood Street?

Gary Nelson: The project will take longer to complete.

Floser: Would we still have access to the fields?

Gary Nelson: That is what they are looking at.

O'Connor: I don't think that it came across that if they do not allow you to close the road, that it would delay the project and increase the cost. I do not think they are aware of this.

Gary Nelson: Earth Tech is putting together a letter to explain this. It may increase the cost by \$250,000-\$300,000. This is just an estimate.

Raymond: They need to close the road in 4 hour intervals anyway, during the blasting.

Since no one is going to wait 4 hours to pass, they are essentially closing the road anyways so I don't understand the additional costs in terms of closing the road.

Gary Nelson: They are afraid of the increased traffic to McCracken Road.

O'Connor: You may want to suggest speaking to the State Police to see if traffic could be diverted through their access road.

Gary Nelson: We are also hoping that Laurel Heights/ Singletary and East Millbury/Martin Street and Park Hill come in lower than expected. We won't know what to expect until the bids go out. Pricing has gone up considerably everywhere.

O'Connor: We still need to discuss what we actually need for reports. We have a Town Manager that is supposed to analyze reports quarterly. We just want to get a copy of the financial reports.

Hachey: Your clerk is an administrative clerk and you don't have access to these reports?

Gary Nelson: When Evelyn was here, she kept a running total of our accounts.

Hachey: All the reports come from the Finance Director or the Treasurer. We will probably get the same report that we already receive, which is the expenditure report.

Turbitt: Mary Ann should be able to pick up the revenues at the end of each month.

Hachey: This depends on whether the accounting software is the same in the Treasurer's office and the Finance Director's office.

Turbitt: We need a schedule of the accounts receivable.

Hachey: We should ask for a balance sheet and a profit and loss statement.

Turbitt: We need to go back to the By-law that was voted on that states what we are supposed to get. We need income, revenue and expenses.

Gary Nelson: If you only knew what we have gone through in the past two years trying to get an accounting of the Retained Earnings, you would understand our frustration.

O'Connor: We were guaranteed financial statements by March 1<sup>st</sup>. We need to let the Selectmen know that we have received nothing. They need to know this. They will also have to answer to a forensic audit if we do not have the reports. We should tell the Manager that whatever he receives monthly and quarterly, we would like copies. The Board of Selectmen need to know that the only reports that we have received have been the expenditure reports, and nothing else. No financial reports have been received.

Raymond: I have asked for this over and over and the Finance Director has said that she needs updated software. We recently budgeted for the upgrade but I am now hearing from the town manager that the Finance Director would like a different software package. I am not sure what the real problem is.

Hachey: It all starts at the top.

O'Connor: If I went to the School Department, I'm sure that they would give me any financial information that I asked for.

Turbitt: We need to send a letter to the Board of Selectmen with our concerns about financial reports and the difficulties we are having without the proper reports.

O'Connor: What has been committed to, so far is; the Town Manager, in September, committed to financial reports for the Sewer Enterprise Fund by March 1<sup>st</sup>. We need these, especially when the Town is asking for another Enterprise Fund for the Solid Waste. Is there any way that the Board of Selectmen can get us the financial reports? If they can, they can and if they can't, we will stop asking for them. Time is passing, but we need to keep reminding them of these tasks.

Motioned by Hachey, seconded by Turbitt to send a letter to the Board of Selectmen asking them for guidance in getting these reports. Unanimous.

O'Connor: I will write something out for us to look at before the scheduled meeting with the Selectmen. We have a meeting scheduled at 6:30 on July 11<sup>th</sup>. We will be meeting with the Board of Selectmen at 8:00 on that night.

Hachey: I have an informal meeting with Bernie Plante when he gets back from vacation.

O'Connor: We receive a lot of detail during the budget process, but from May through December, we do not get detailed reports. It is kind of a lull time.

Gary Nelson: The Sewer Commissioners will do whatever we can to help you. We have tried for years to get this information.

O'Connor: It is not the responsibility of the Sewer Commission to get the financial picture. It should be the Finance Director.

Hachey: What we present to the Board of Selectmen is for informational purposes only.

Turbitt: We are not letting them off the hook. We just want them to know that we have not received what was promised.

Hachey: The goals and objectives for the Manager for this year, is to supply financial reports.

O'Connor: We need to keep reminding them, then eventually we will get the information that we requested.

Hebert: The Board of Selectmen appointed Gary to get us the information. He is responsible for getting the information. There should be no excuse why we haven't gotten the information. If I were him, I would make an appointment Mary Ann to get this information and let her know that he needs to get back to the Finance Committee with this information.

Turbitt: The By-law says that Mary Ann is responsible for this.

Hachey: We can ask for the information, but we cannot enforce it.

Turbitt: The Finance Director, according to the By-law, is responsible for financial statements, to be given to the Board of Selectmen, Finance Committee, and the Town Manager, on a quarterly basis.

O'Connor: According to the Mass General Law, we may ask for information and consider all or any municipal questions.

Raymond: We need to know what our financial status is.

O'Connor: The By-law says we will get the financial information. We can only ask when we will be receiving it.

### **Discussion of the Building Projects**

O'Connor: I would like to make a motion to the Board of Selectmen requesting a directive, from them, asking for formal recommendations from the Finance Committee on current proposals for renovations to the Police, Fire and Town Hall facilities that would warrant debt exclusion or proposition 2-1/2 overrides. A specific date and venue

for the Finance Committee recommendations should be requested, such as, a Board of Selectmen meeting or scheduled public hearing in the October time period. We are short on time and should be able to get the information needed to make an educated recommendation on this. The Board of Selectmen have not been convinced to take a stand yet. They are waiting to hear from other Committees that are looking into this. They need to formally ask us for a recommendation. We shouldn't have to bounce from meeting to meeting without being asked to make a recommendation. It surprises me that the Board of Selectmen are going for a general electorate vote before a Town Meeting. I understood, by Selectman Moore's comment, that the Board of Selectmen are looking at us for our recommendation.

Turbitt: I think this sets a bad precedent to have the vote before the meeting.

Raymond: The issue is getting the money for these projects. Where is it coming from? If the Board of Selectmen do not want a debt exclusion or a proposition 2-1/2 override, where do they expect to get the money?

Hachey: How are the townspeople going to vote without the recommendation of the Finance Committee?

Floser: What happens if the vote passes?

Raymond: Then it goes to Town Meeting for approval.

Floser: What happens if the vote doesn't pass?

Raymond: Then it is a dead issue. This presents additional issues or simply delays the inevitable.

O'Connor: We are going to get set up. That is why we want to remind the Board of Selectmen of our responsibilities. Selectman Moore needs to know that if they go to an election first, they won't have our recommendation prior to the vote.

Hachey: Why would the Board of Selectmen want our recommendation before the election?

O'Connor: My motion is to ask them for a directive on this situation.

Hachey: Initially, they will say that they want our recommendation. They would then realize that they either go with our recommendation or they go against it.

Turbitt: I don't think they want our recommendation because they are going in the other direction, putting the election first. They have always gone to Town Meeting first. We shouldn't even ask the Board of Selectmen if they want our recommendation. It seems like they don't want it, since they are going for the vote first.

O'Connor: We could just go to as many informational meetings, just to get ready in anticipation of a Special Town Meeting. Somehow, Selectman Moore needs to understand that we are not required to make a recommendation without being asked.

Raymond: Selectman Moore asked me how I felt about this and I told him that it should go as it always did with the Town Meeting then the ballot.

O'Connor: I will hold off on the motion for now and wait to see what happens at the July 11<sup>th</sup> meeting with the Board of Selectmen.

Raymond: If they are not going to provide the reporting that we need, then we will end up in the same situation as previous years. We should have access to the computer system to get this information.

O'Connor: If we get access, then it should be set up that we cannot make any changes.

Floser: It should be for inquiry only.

Turbitt: I am afraid that once they give us access to the computer system, they will stop getting us whatever reports we request. They will probably assume that we are getting all the information that we need.

Hachey: You are going too far concerning information needed. You've asked for the information, but you cannot go overboard. If the higher ups don't support your requests, then there is not much you can do. You just need to let the Board of Selectmen know what is going on.

Motioned by Hachey, seconded by Turbitt to adjourn at 8:45p.m. Unanimous.