

**TOWN OF MILLBURY
BOARD OF SELECTMEN MINUTES
MUNICIPAL OFFICE BUILDING- SELECTMEN'S MEETING ROOM**

November 15, 2012

7:00 p.m.

Present:

Board of Selectmen: E. Bernard Plante, Brian Stowell, Brian M. Ashmankas and Sandy Cristo;

Town Manager: Bob Spain

Council on Aging: Richard Townsend, Steve Walinsky, Everett Grahn, Lorraine Hayes, Marie Kosiba, Edna Lapan, Helen Mankevetch, Margaret Masmanian, Stuart Mulhane

Director: Judith O'Connor

Finance Director: Brian E. Turbitt

Auditors: Chad Clark and Terenzio Volpecelli

Absent: Francis King and Betty Hamilton

Chairman Plated opened the meeting with the Pledge of Allegiance and explained that the Council on Aging board asked to meet so that they could explain their financial practices in rebuttal to the Audit Report done in July by Roselli & Clark-our outside auditors. Chairman Richard Townsend introduced the board and the director of the Council on Aging. Although they are appointed by the Board of Selectmen they follow the laws of MGL Ch.40 Section 18 to create programs for the seniors. They were disturbed as a board as far as the audit goes that they were not informed that it was being done and the report was distributed before they got a copy of it, including the press. Steve Walinsky has opted to speak on behalf of the board. Mr. Walinsky read a lengthy letter with their remarks regarding the report with their reasons why they did the practices that they had in place. They instituted the signing of the blank vouchers because they were not on the computer network so that their invoices could be electronically submitted and they only meet on the 3rd Wednesday of each month and the finance director implemented a policy that vouchers are due the 2nd and 4th week of the month and they wanted to avoid late charges; there was always a list of vouchers paid at their meetings. Their budget from the town is not a large one. The town only gives enough money for the building and the salaries of employees. There is no cash received at the Senior Center; there are no fees for the use of the building. The senior center receives a Formula Grant from the State which is somewhere around \$18,000; but it does not come in at the beginning of the year. The finance director will not release any payments without at least an award letter from the state. They look to the "Friends of the Millbury Seniors" for support and prepayment so that they can pay these programs. The non-soliciting of bids issue was a non-issue because the payment of over \$5000 was for three separate out-reach programs that happened to be done by the same person. The duplicate invoice problem was because their head clerk was out sick and they were making sure it was paid. They were unaware that the workers had to be paid for through payroll. They have submitted a handout regarding what the "Friends" pay for and what the senior center pay for. **see attached. They have no problem with the executive director being loaned to the "friends" and have no issues if they want to put her on their payroll. The Town could not pay for all of the busses and programs if it were not for the "friends". He then stated that the town has a seemingly endless supply of money for legal fees but none for the seniors. He said that Ms. O'Connor keeps things running smoothly and generates the spirit of volunteerism. She also will be working on the day after Thanksgiving to give a meal to the seniors in town. They strongly disagree with the concept that the "Friends" and the Senior Center need to be separated. They will tighten up their business practices and back their Director fully.

Chairman Plante said that no one ever accused anyone of stealing; we are aware of what an asset the senior center is to the Town as he worked hard to get it.

Mr. Spain explained that when we started out this process no one expected to find any funds missing; as stated there is not a lot of funds there. It was not an audit, it was a business review. No one was pointing fingers, our attorney's thought it was important to do this review after some things were found that needed investigating. He took an oath to uphold Massachusetts General Laws; they found things wrong and they need to be fixed, they are not pointing fingers the issues need to be addressed. We were not going after anyone and he takes offense to the accusations that this was a "witch hunt"; there was a complaint and it was followed with the advice of counsel. The bottom line is that the Manager has charged the finance director to come up with procedures to rectify these problems; changes have to be made to comply with the law. Mr. Spain said that looking back, yes he should have given the board a copy of the report before he went to the meeting to talk about it. The intent is to work together with the board, the director and the friends so that services will continue. As to the blank vouchers, it was stated at many department head meetings that vouchers could be put in on off warrants; you just had to ask him. We all made mistakes, but they need to be fixed. Mr. Walinsky is more concerned with the comingling of the "friends" and the senior center as if it is not broke, don't fix it. Mr. Spain pointed out that laws need to be followed.

Chairman Plante said that no one is questioning how successful the "friends" are; the amount of money they raise for the senior center is invaluable. Mr. Spain said that there is nothing here that can't be worked out.

Chad Clarke from Roselli & Clark wanted to be clear that the point of their report was to be an independent report; Mr. Spain hit the nail on the head when he said that you want to avoid the appearance of anything being done improperly. Governmental fraud is at an all-time high in this state right now; they are here to point out weaknesses, deficiencies, and what is not in compliance with MGL. They are in agreement that the COA needs a Friends organization. Operationally it needs to be defined and clearcut. If the taxpayers cannot tell which organization is funding what programs, there needs to be a line drawn. He applauds them for doing what they need to get things done.

Terenzio thanked everyone for being here. He explained that he did the majority of the services for this business study. In June we met with the employees of the COA and reviewed transactions. They compiled a report of their findings. Their objective was to look at the internal operations of the COA. MGL Ch. 30B deals with procurement; page 5 there is a brief paragraph that describes 30b; it is very involved and that is why there is a procurement officer on staff. With respect to the comingling of the operations; they interviewed members of the COA staff; minutes are confusing as to where the friends begins and the COA ends. The conflict of interest laws are clean on this issue; it is imperative to have a clear separation to be independent of each other. You can work together with little disruption to the operation.

Mr. Walinsky said that the issue of the 30b with the \$6000 reimbursement is explained because it was not one lump payment to that person but it was for three different incidents that they were paid for; it was a sum total that added up to over \$5000 therefor it was not subject to 30b.

Judy O'Connor explained the Formula Grant and how it works; they never know how much they are going to get per senior; they ask how much you want for each job; the money cannot be spent until they receive an award letter; she said that she does exactly what the grant allows. She said that they don't want a dime back-they tell you to spend it all. Chad explained that Ch. 30b still has to be followed; they assume that you are following the laws of the Commonwealth. Chad explained that one of the options to make it easier for the voucher process was that it does not have to be at a meeting; they can stop in and sign the invoices when they are available. Mr. Townsend was concerned that they needed six members of the board to sign the vouchers; most boards do not have an eleven member board. Mr. Spain explained that they will work on another way with them to get this done properly. You can't fix the past; but you can fix the future, follow the laws, and not disrupt services. He begs everyone to work with us to get this fixed.

Selectman Stowell added that there were issues on our side and that he would like to direct the finance director to keep an open line of communication with all boards to make sure that the mistakes that were made are not repeated.

Chairman Plante said that Mr. Spain is using the report as a tool to help with all departments; not just the Friends of the Seniors.

Finance Director Brian E. Turbitt explained that based on the Manager's directive he has sat down with the Friends of Asa Waters and the Friends of the Library to get an understanding of their practices. He is trying to put processes and policies applied across the board. With respect to the issues with the vouchers, every single employee in this building sat down at two different meetings where he discussed with everyone what the finance department has to have on every invoice in order to have them processed. The system was in place before he got here; the warrant process is every other week, not the 2nd and 4th weeks. If you cannot get it on a town warrant he allows people the opportunity to get it on another week. He was not aware that the council on aging was having trouble getting in and he apologized for that. His door is always open to explain how things are done.

Selectman Stowell would like to sit down in four weeks to go over the new systems that will be in place. Once we are on the same page it will be easier for everyone. Mr. Spain and Chairman Plante thought the procedures should be in place, give it a chance to work and then have the meeting.

Selectman Stowell said that he will still like a status meeting in four weeks to see where everyone is; let it be a workshop or a meeting on an off night.

Adjournment

Motion made by Selectman Stowell, seconded by Selectman Ashmankas to adjourn at 8:15 p.m.
Motion carried unanimously.

Respectfully submitted,

Tish Hayes, Secretary

E. Bernard Plante	_____
Francis B. King	_____
Brian W. Stowell	_____
Brian M. Ashmankas	_____
Sandy J. Cristo	_____

Board of Selectmen