

Hunt commented “How do you like those Patriots?” A cheer was heard from those present as they became the Superbowl Champs over the weekend.

Berndt announced The Downtown Winchendon Revitalization Strategy 2014 is now available on the Town’s website. Your thoughts are welcomed by the Dept. of Planning and Development. Hunt asked Mr. Gerry White, Director of Development, where we go from here, what the game plan was and if we buy this concept. She didn’t want it to die or linger. White said it won’t die or linger. There have been several studies that were done in the past and this one follows along those same ideas people in Town have talked about. He said money is always the issue in improving Economic Development and downtown development. This report will be available for us to look at. The Master Plan Committee will look at it. In the next grant we will pull some of this into it. This report is another element of our planning where we look to the future and what we can do. We are also restricted towards that goal by funding. Grant funds are not always available and might be at a slow pace. Our Dept. of Public Works may do some infrastructure work downtown, CDBG may be doing some offsetting roads he will be briefing you on later. Hopefully improvements will be contagious and store owners will chip in but some of the projects are a lot of money. O’Keefe agreed but said some of it could be implemented without a lot of funds giving an example of revisions to planning with setback requirements. Also Planning has had an interesting idea for Blair Square in removing parking from across from Cumberland Farms or at least restricting it so traffic could get through that intersection. That could be done sooner or later. We don’t need to accomplish 100% of the recommendations but we can start working towards it. Berndt mentioned we still have a TIP open for Blair Square that hasn’t been acted upon and maybe we start looking at acting on it and doing some studies. Hunt said we can’t depend on the state to update our downtown. The community raised over \$100,000 for the 250th Anniversary Celebration and thought maybe the community could raise funds towards this big goal or maybe what they are looking to do up on Maple. Hunt would like to bring all resources together to build the community to work on downtown and get back to the “we” thing. If you’re involved in it, you will like it and be proud of it. Kreidler mentioned Supt. Deline was in the audience and could offer thoughts on the traffic patterns and streetscapes downtown. During the presentation of the folks from UMASS it was learned that they could pursue another phase and get into some design work. Discussion was had on the TIP which is the Transportation Improvement Plan being the overall program of capital infrastructure and traffic projects in a region and coordinated through the local Transportation Advisory Committee and the MRPC. One of the things is to commit to doing the design locally. If we can leverage UMASS as the second step to get some of the design work done with some local fundraising Beth mentioned, you become a more attractive project on the TIP. Some of the Chapter 90 funds can be brought to bear as well. Traffic flow and parking were discussed briefly. Kreidler said Gerry and John are working on these things.

DPW Director John Deline came forward. He said Central St. needs improvement. He can repair sidewalks but the drainage and infrastructure below it are failed. It doesn’t make sense to repair sidewalks when the drainage below it are collapsing. He has been working with engineers Tighe and Bond and wants to get Central Street on the TIP. He feels downtown desperately needs it. Infrastructure is old and if we don’t do something soon within the next few years, downtown is not going to be usable. He is also working with Tighe and Bond on Front St. getting a type of scope to use for Chap. 90 funds making it one way, eliminating parking and moving it elsewhere so as not to lose parking. Lake St. is going to be repaved this year. Also they are looking beyond that to changes to Water St., Spring and Ash Streets to improve safety with reorientation of islands that they can afford to do using Chapter 90 funds. They are also looking at Spring and Glenallen trouble spots in traffic. Blair Sq. and up here on School St. is certainly a problem but isn’t something we can afford on our own with property acquisitions and a round-about with hills present and traffic not able to stop. He feels this needs to be done some point in the next ten-twenty years, but the immediate concern, in his view, is Central St. for Winchendon. Hunt thought we needed an overall project coordinator, or software program to oversee the whole picture. Deline thought we need two timelines; 1) get the money secured and 2) use what UMASS did and form a committee to study downtown. He said the project falls under him managing the engineering and to take the elements from UMASS, the public and the committee and integrate that with that design and for him to oversee it all.

Hunt understood he would be responsible for that part but what about things like the awnings to be used. O’Keefe suggested the Planning Board be the point person on the project since they have a big piece. Hunt wanted to see things happen before too much time has passed by. John said the timing is about five to eight years to get funding. He recommended getting business members involved. They can invest time wise and give guidance. Kreidler mentioned this is an issue of a specific thing and thought people might get involved knowing it’s time specific. A Downtown Revitalization Committee could consist of Planning Board representation, Public Works, Grants, DPW, and as John said buy-in from the people whose space it is. Downtown property owners have a significant stake in this. John hoped to have a more definite plan in getting funds for downtown. It was decided to put this on the list to discuss at a future meeting.

White said there are multi-facets to this project. The Master Plan Committee is looking at it. Daily discussions are had in his office about it. It takes money and time. Some things can be done very quickly, grants are being worked on. There is no way to put a timeline on it; grants are not guaranteed. The owners have to take some initiative as well. You may not see all the gears in motion but it is in process.

Hunt spoke about electric bills going up and getting calls and notices at home for services to help with those rising costs and she’s concerned about locking in with a one or two year plan knowing our municipal aggregation should be happening soon. Kreidler said he reported out at the last meeting we were most likely not getting out to bid until the fall. He has received confirmation that we have received our DOER approval and it has been transmitted. That should put us in the queue for the ninety day window with the DPU. He was also told by the consultant that the DPU has an opening that is going to be able to put us into and that the expectation is that we could be out to bid and have a contract secured, transition done for residences and businesses for a May bill. Everyone is being transferred over unless they physically opt out. O’Keefe warned people that might have signed a one or two year contract that might have a termination penalty. He cautioned folks if they are under contract when the Town finally aggregates, you will need to opt out otherwise you would be switched. The contracts would have been signed independently and the Town wouldn’t know about it. O’Keefe asked the Town Manager to talk to his consultant about that. Kreidler said part of the aggregation plan is a mass mailing to all account holders making them aware of the process, what their obligations are and rights are. The information contains a website they can respond to or a return mailer to make their opt out decisions. It is required to be as easy as possible for those who choose to opt out. Hunt wanted to stay on top of this and put in on the agenda for a follow-up.

PUBLIC COMMENTS AND ANNOUNCEMENTS: There were none.

LIQUOR LICENSE PUBLIC HEARING: RAB Interprise, Inc., d/b/a Gabby’s, 255 Central Liquor License – Change of Manager, New Officer/Director/Transfer of Stock – Berndt opened the Public Hearing by reading the notice into the record. After a review of the documents and seeing no issues, Hunt moved for the applicant. Barrows asked if the other parties left the business. Mr. Callahan replied yes that they have no ownership now. O’Keefe seconded. By a vote of all aye, the motion carried unanimously.

BOARDS/COMMITTEES: N/A

APPOINTMENTS/RESIGNATIONS: N/A

PERMIT/LICENSE APPLICATIONS:

Road Race July 12, 2015 – Max Performance 9th Annual State Triathlon- Daigle explained the applicant was scheduled to be before them at the prior meeting that was rescheduled due to the snowstorms but was unable to attend this evening. Barrows mentioning their good track record, moved for the applicant. Hunt seconded and spoke about expanding the race in the future and bringing activities closer in Town. O’Keefe moved to amend the motion to add the applicant be required to work with Lt. Walsh. The amendment was agreed upon. By a vote of all aye, the amended motion carried unanimously.

Amusement Device Permit - Coin Operated Bowling Alley – American Legion E.M. Connor Post #193 – Hunt said this is a great game. Barrows said seeing no issues reported from Dept. Heads moved for the applicant; Hunt seconded. By a vote of all aye, the motion carried unanimously.

TOWN ACCOUNTANT MONTHLY UPDATE:

Ms. Donna Allard came before the Board and mentioned they should have before them the year to date budget reports for both the School and Town as of Dec. 31, 2014. This information was provided for packets a couple meetings ago and would have a more updated end of January report for them at the next meeting she attends. She said the December receipts are in and up to date with the Treasurer. O’Keefe asked about the Selectmen’s travel budget on the first page believing that it had been removed at the most recent Town Meeting. Allard explained the report was for two meetings ago. It has been updated and the current reports reflect the reduction of the budget from Town Meeting. Hunt asked about the percentages column. Ms. Allard explained some expenditure come at different times causing those differences. Hunt asked about the comment section which was useful in the past for her to understand questionable line items. Kreidler explained that was in the omnibus budget for Town Meeting that she was referring to and not through Munis and also he creates a spreadsheet with a comment section when working on the budget.

O’Keefe said he had four questions. He first asked about the negative encumbering balances showing on Page 3 under Special Articles. Allard explained they are trying to work on the encumbrance system and this is how it appears when it gets encumbered in the system. She said these are carryover encumbrances and are being tracked offsite right now and not clear in this year to date budget report. O’Keefe asked if carryover encumbrances don’t they get carried over to a carryover account? Ms. Allard said, no, that’s not how our system is set up. Hunt asked if the system could be modified to do this. Allard said they have definitely looked into this not so long ago with a Munis rep spending a day trying to scrub out these accounts for us. She has his suggestions. It is something that will take a great deal of work because it’s not something that is just fixing the encumbrances but fixing the communication between the accounts in the system. What works in another Munis system, doesn’t necessarily work in ours.

O’Keefe then asked about the State Assessments Expense shown on page 22. Allard explained she was waiting for the Recap to be certified which hasn’t happened yet. Those are the charges that come through on our assessments. We don’t have the budgets to balance that out because we don’t have the recap yet. O’Keefe asked if we anticipate having the budget. Allard replied yes when the Recap is finalized. Kreidler added when Liz Gilman was the Town Accountant she would actually budget the assessments. When Charlotte came she said we shouldn’t be making the budget entries and having an appropriation for the assessment; it should be done at year end. This is kind of still a hybrid between how it was originally set up by Liz in the system and transitioning away from it. This is why you don’t see a budget amount but you still see an expense in it. Allard said usually we have these figures by the end of December but we are in a bit of a different situation right now. O’Keefe said just understand that each month if he sees accounts in the deficit, he will be bringing them up. The third question he said can be skipped because it’s on Page 22 and another assessment and the answer would be the same.

His last question was on Page 23 with the Unemployment Insurance currently having a negative balance of \$29,2433.70 with it most likely increasing and asked where we would be making that up from. Ms. Allard said it is problematic and that we do have the ability between May and June to do some of those inter-fund transfers to cover up those deficits and keeping a watch on budgets to make sure we have some money left in expenditure budgets to move around. We will have to fill these holes. The goal is to not to let the holes get any further in our departmental budgets. We can’t control unemployment and its an expenditure that has to occur.

The last page of the budget report with the totals was reviewed. O’Keefe asked about how the six month mark with it being 61% and how it would compare to past year’s six month reports. Ms. Allard said she’d be happy to do a four year period look back for them. O’Keefe wanted some way for them to know if they are on target in comparison to other years. Kreidler cautioned that things, like the assessments, are askewing that right now and when the document is updated it will be more accurate. O’Keefe asked if when she produced the monthly report, if

she could also provide a statement at the same time that could explain the accounts in deficit. It would take less time during the meeting as they would have these issues already explained in advance. Kreidler cautioned comparing budgets as their might be marked changes with one budget against another. There could be retired debt. The Monty Tech budget has been moved to the educational budget. The report would be skewed. This too could be explained in the exception report and eventually this would go away. Once the reports get online, the explanation should be included as well, O'Keefe said, to minimize the questions that might be asked.

Berndt asked about the school budget report showing they have only used 35.1% of their total budget and wondered if something was missing being half way through the year. O'Keefe explained with the vast majority of their budget being payroll and it not yet in the system, that would be why. Allard said it is roughly about \$4,000,000 in payroll that has not been entered in yet for the school and you don't see in the report. It is one of the reasons we haven't put this online as we are waiting for the school. We want the town and the school online as a whole. O'Keefe said if you add in the \$4,000,000 for the School, it pretty much equates to where the Town is at 61%. O'Keefe said this is a perfect example of a statement that could be included to explain this. Allard agreed to do that. Hunt asked to put the School Payroll on the Joint Meeting agenda believing that it had been resolved. Berndt noted the Dept. of Revenue has made it a requirement that the School do this. Kreidler mentioned the meeting scheduled with the School was for last Tuesday but we had the blizzard. It was rescheduled to go again this Tuesday but he received an email from Supt. Khelfaoui late Monday evening saying the school had been called and they wouldn't be able to make it so they were in the process of rescheduling that now. Kreidler explained efforts have been made by the consultants in the School Dept. to try to, short of doing the full and complete job of getting every payroll entered with its own object and organizational code, the right budget for the right person. They attempted to do one balloon period. It was decided by the Town Accountant with concurrence with the DOR that that wasn't a good effort to do that and it was more important to dedicate the time to actually getting the work done. One of the TMS consultants indicated he would have a report this evening for the Town Accountant. An email was received around 5:00 p.m. tonight that he was close. Kreidler said this is not easy work and is tedious. The DOR made it clear this was to be a priority and directed it be done. Tomorrow we should get a follow-up from Mr. Mark Chapulis of TMS. Hunt expressed her disappointment that the meetings were cancelled due to snowstorms and that with the technology today there was no reason the meeting couldn't be held. She expressed the importance of having direction from the DOR and meeting their objective and for us not to cancel these meetings. Kreidler explained we had the DOR representative coming a good distance and this reason wouldn't have allowed for that. He hadn't heard from Dr. Khelfaoui until later that evening not giving sufficient notice to the DOR. In the future, it can't be cancelled.

O'Keefe sees both from the town and school line items that 90% of line items are within budget. Ms. Allard said it the way the accounts was voted at Town Meeting makes for more control of the general ledger doable and for Dept. Heads to watch within their accounts. It's the responsibility for the Dept. Heads to track their expenditures and this makes it much easier for the Accounting dept. O'Keefe asked the few accounts where we have spent more money than budgeted, how do we stop it from occurring until it is authorized. Who is authorizing those other accounts to deficit spend? He would like a simple document stating I am authorizing deficit spending for this particular reason and how it will be resolved. There needs to be some way to offset it at that time. If this is done, we'll never see a report go into deficit. He thought this would be better than waiting until after June 30 and hoping some account would have a surplus to grab it. Ms. Allard suggested to be transparent and have it in writing is to take a look at the budget and see what expenditure accounts will have some funds left in them and talk to those Dept. Heads who might have some excess funds that could be earmark for something like the unemployment account. It has been made perfectly clear that the bottom line of the accounts cannot be in deficit. O'Keefe asked who has authority to move money from one account to another. Kreidler said nobody. Allard explained the exception that at the end of the fiscal year, May or June, with the Board of Selectmen and Finance Committee approval, funds could be moved from one account to another. O'Keefe said he would like to see on the deficit memo note the account of where it's coming from. Without the deficit memo identifying where it is coming from, he would like to know before he gets a payable warrant that there is a check in there that is going to run an account below zero that hasn't been identified. He feels the Board should not sign those warrants forcing it to occur and not wait until the end to clean up. Kreidler provided some context to the discussion adding within the twenty-three

pages of the general government document you are looking at four appropriations that are showing a deficit. Three are the assessments that aren't really deficits. This leaves just one, unemployment, in deficit. As of right now we are looking at roughly \$30,000 in deficit. What do we do with that? Historically, we have monitored to whom the bill runs, general government or school. Adjustments need to be made in the Indirect Costs if a portion of that debt wasn't accounted for in the Indirect Cost number originally comes in higher and needs to be back charged to the School Department. That would be one place that would be addressed first. He wanted to provide that context that within the entire budget, there was only this one item running in deficit. O'Keefe said that is the town's side but on the school side there are other accounts that are in deficit. They may have accounts like assessments that there is a good valid reason but they may have accounts with no valid reason and they have the absolute right to move money from pocket A to pocket B. He would like to ask, as the Chief Executive Board, the School Dept. do what they want to do but to move the money before they spend it. Don't spend from an account that doesn't exist and leave an account in deficit, maybe forever. Allard stated that was a suggestion that has been made. When their budget was put in, it wasn't put in accurately. They have sent over a spreadsheet with some budget adjustments but it's not a finished document yet. They are aware from her office and the DOR that that budget needs to be moved so the budget can be reflected properly for the accounts being used. You will see accounts being used with expenses going through with no budget. O'Keefe asked when the school needs to spend money from line item A and they have plenty in line item B, how quickly can her office make that adjustment. She replied pretty readily if it comes with the proper documentation and authorization. She said she has a thick file for transfers from the school for FY14 but hasn't seen any for this year yet. Hunt felt this was a great discussion but they were missing a good part of the team and asked to have this issue put on the agenda at the Joint meeting. Ms. Allard said that these things are being planned to be talked about during the administrative meetings being scheduled. Berndt pointed out as an example on Page 40 of the School budget report account number ending 511011 has a \$26,000 expense against it with no initial budget. That is the type of thing that needs to be explained. O'Keefe added not only explained but that's the type of procedure we need to end at some time going forward. He would like to see the school transfer money from somewhere that exists before expending from an account with no budget or in deficit. The Accountant believes that is their intention. O'Keefe said he's not just pointing at the school, but he does not want to be asked to sign a payables warrant when we know money doesn't exist in the account. He would like to see all of us getting to a point in a few months' time by working together to get our systems in line but he would like the Board of Selectmen to know every item on that warrant is coming from an account where the money exists and only then are they being asked to sign. He feels the School Committee should also enjoy that same privilege. Then we would eliminate all deficits. If for some reason that can't occur, then we would need that deficit memo explaining when and how the deficit will be filled. Veterans' Benefits were discussed and maximizing the 75% back from the state. Kreidler explained how sometimes there may be a need to pay someone and we don't get that reimbursement back. It is the cost of doing business. Kreidler explained the current budget is based on the prior year's receipts. We are always chasing that by a year. One of the obligations is if we don't pay the bills, it gets taken out of us at the full 100% without reimbursement in the next year's Cherry Sheet. Ms. Allard said we are allowed to deficit spend veterans' budget but it needs to be filled within the budget. Kreidler informed them the FY16 budget he is working on now will see that line item going up to \$500,000. Every year we have increased this budget. It was \$10,000 when he started but it's a different age now. Allard explained this benefit is supposed to be temporary to go through the town to get them off and qualified to be funded through the Federal programs that are available is something we are seriously looking at. It was suggested to ask the Veteran's Agent to the next regular meeting. Hunt would like to know how to get the full 75% back and O'Keefe wants to know how we make up the deficit. Kreidler pointed out on page 20, the Veterans' budget is currently at 60% expended but that it's not knowing who will come and go in the next six months.

Kreidler spoke about the deficit legislation and the numbers that were put forth being from \$2.4 million that he had put forth back in September/October to \$5.7 million that came from places he doesn't know. It settled at \$3.472 million. That was the existing real deficit for the end of FY14. Even though we don't have the FY14 audit yet, we have heard basically everything we are going to hear in that audit already. We know the number is \$2.9 million up to 2014. DOR said we think your FY15 budget is going to be short health of \$400,000 and Veterans by \$100,000. Even though DOR has predicted and the auditors have agreed and we have locally vetted it is \$3.472 million, if we think in FY15 \$500,000 is going to be short, we have asked to not borrow that amount. We have asked to be given

the chance to see how we can manage the remaining of this year's budget between now and the Spring Town Meeting. We've been authorized to borrow it already but will wait to see if in fact we need it towards the end of the year. Kreidler noted the original number he had put forward was \$2.4 million. The number is \$2.9 million but he was looking at only the General Government budget and not at the school. \$600,000, plus or minus, has been put on the table from the School Dept. With that number subtracted they are at what he originally predicted would be the deficit.

Berndt requested we have Department Heads come in to address issues head on. O'Keefe agreed and asked the Town Manager to accelerate each Dept. Head in here over the next two months especially if there are questions with their budget. If they think they will have a surplus, it would be good to hear from them. He would like to see Dept. Heads on an annual basis at least once. The Accountant suggested they be also asked about grants that might be supplementing their budget.

O'Keefe asked about the multi-year funds that are not on the report. Allard said most of those are up to date through Dec. 30, 2014 other than the school grants. They are in a spreadsheet form and would like to get it online as those are the ones most people have questions about. Hunt asked if she needed more people in that office so she can give them the reports and answers that they are asking for stating this is a starving department. Allard replied, yes she does. Hunt asked the Town Manager how we go about adding another person in that office so we can be as efficient as can be wondering how we grow when we are so tight right now. Kreidler replied just because there is an authorization in legislation to borrow \$6,000,000 that doesn't mean we are going to because obviously we are not and it wouldn't exist as an appropriations bill for new things. It exists to cover deficits in existing appropriations. The draft budget for FY16 he is working on at his desk right now does have a half time additional staff person. He said it's lovely if he is only looking at that budget but when he gets to the bottom and sees he's a million out, he's not there yet. Hunt said the Accounting and Treasurer's office are key functions. Kreidler added as well as the school business office. All three of those pieces need to be looked at a whole. The allocation and funding needs to be looked at from the entire picture. Ms. Allard made an exceptional effort to talk about payroll with the School Dept., one specific function for the financial function of the town that is possible to do in house, streamlining, which may involve bringing perhaps one person from the school staffing into the Accounting Office. That discussion unfortunately got way off track and became something political. It was asked to put this on the Tri-Board meeting. Kreidler said this was on his agenda and it was going to be talked about at the in-house meeting they had planned. He said we are at the point saying what will it take to have the general ledger done. For whatever reason TMS has an incredible work load that they just cannot get to it or they don't have a staff person that is capable and dedicated to get to it, we can't continue to let it hang out there. We are coming on to two-thirds of the year with \$4,500,000 plus in payroll that doesn't get reflected in the general ledger so you can't see where we are. Ms. Allard was given the decree from the DOR that you cannot allow an expenditure beyond budget. She can't judge that without having the expenditures hitting the budget. If it means we have to find somebody else, what does it mean getting the cost off the street and finding somebody that can get it done. Against TMS' best efforts, it is still not getting done. O'Keefe asked if we have it in writing that this is a requirement and it's not yet been done. Kreidler replied, yes. With the School and TMS responsible O'Keefe said if we don't see the budget for their expense listed he said the next time a check comes up on a payable warrant, he won't sign. DOR is telling us, this must get done. If TMS isn't capable of doing it and they ask for assistance as the Town Manager and the Town Accountant is willing to work with them, we can't according to DOR continue to spend money without that in there, let's start with their check. Allard clarified that DOR wanted to see the year-to-date budget reports up to date. They can't be up-to-date without the budgets correct, without payroll all entered. O'Keefe brought this up because in the email from Deb Wager for DOR she asked the Town Manager bring this to their attention. Why would she ask this matter be brought to the Board unless she expected the Board to perform some action. He didn't expect it to be fixed tomorrow but starting March 1st if the budget isn't there, to let them know and they'll stop signing warrants. If the budget isn't in, we shouldn't be allowing money to be spent if it's not in. Allard said the school has a bottom line total budget that they can expend out of legally; they are not tied to a line item budget. DOR cannot tie them to a line item budget statutorily said Kreidler. In the writing from Mr. Gerry Perry it listed a number of things that are the take-a-ways with one of them being to resolve the school payroll issues that the

School Business office is accountable for. They want Donna to be able to track but she can't until it's inputted. They could input it and still overspend any given line as long as the bottom line is trending fine. O'Keefe said if it's not in, to let them know. Next time TMS comes up on a payable warrant they won't sign it until the information is in. Personally starting March 1st he would like to know if their budget is not in. He will stop signing warrants and if the town wants to deficit spend, he won't sign town warrants. Kreidler explained with the exception of snow and ice deficit spending, which is legal, the town won't want to deficit spend. Unemployment is the one line item in the general government budget that is showing a deficit. At your next monthly report he will identify for them what breakdown of that runs to which side of the ledger and if there is a portion that is general government that is not covered, he will identify a location that it will be covered by with such memo. O'Keefe asked his fellow members of what he just said and the requirements that will be put on the Town Manager, Accountant and School Business Office. Barrows, Berndt and Hunt support it. Hunt felt we lacked as a whole with commitment dates. The School Dept. hasn't had stability for a long time and she feels bad for TMS coming in maybe not knowing what they were walking into. We need dates and hold them accountable for these dates. O'Keefe clarified the Business Manager use to be a single individual. We actually have now a company with multiple employees. They have the ability and manpower to get things cleaned up. They can do it if they choose to. They have an opportunity now to shine. To show us it's great we have a group instead of an individual. He hopes in twenty-four days they can get the budget in. Ms. Allard added the School will give the information to her and she will actually be doing the transfers and journal entries. They don't make journal entries. The Accounting office does. There is a lot of work done in the Accounting office and built into the Indirect Costs. There is work on both parts. If she is provided with the work she can get that accomplished. It's a monumental task right now with the general ledger because they have waited so long and there are so many payrolls involved and its complicated. She hopes it can get done in a very short period of time without having a stack of general ledger entries because of the situation that exists. Kreidler said if the Board votes a hard date the end of February and then if it's not in to not execute any warrants that have a payment for TMS consulting contract, he thinks it's wonderful and a hard date drives issues. He said he will commit to work with Dr. Khelfaoui to make sure that that date becomes irrelevant because that sort of piece is dangling and it needs to get done. A candid conversation needs to be had on how we get it done? If it can't be done inside, we go to the outside market with the cost to the school budget but we can help facilitate it and will help in getting there before that. O'Keefe said he agreed with that and would like to see it done tomorrow if possible. We don't need a motion to do this though. This isn't an action of the Board; it's a statement by Selectman O'Keefe. He will not sign a warrant if he doesn't know the funds are there. Each member basically has made the same statement. As individuals we are saying the fiscal mess of FY13 and FY14, which we all have a piece in, had we done what we are doing tonight two years ago, we might not of had that problem. We may be writing some policies so future Boards follow the wisdom of what we learned in FY13 and FY14 so we don't repeat those errors.

Hunt asked about that supportive documentation she needs to make the changes in transfers. Allard replied for the town it's a document with the line items listed and the reason for the transfer. It can be accompanied with additional documents perhaps a printout of the account in Munis. On the School side supporting documentation is also the paper listing where the money is coming from and going to and includes signatures from the Business Manager, the School Committee and at one time the Superintendent was also signing those authorizations. O'Keefe asked to find out what the statute says. If it says it only needs the signature of the Business Manager, then that's all we need. If we can simplify it, maybe the paperwork can move faster. He asked Mr. Kane, our Finance Committee Chairman sitting in the audience who once was a Superintendent if he knew what the requirement is on transferring money or what the practice was. Mr. Kane said the practice was that you had to be balanced out by the end of the year. The School Committee has the responsibility to spend the budget allocated by the town. They cannot overspend that budget. His experience was when there was something that came up not expected he would address it and make sure there was money somewhere else and balance it out at the end of the year. What they didn't do, but some School Committees do, is do that on a monthly basis. He didn't want to make recommendations out of turn, but rather than this Board, town government micromanage the School Dept. budget, he urges the School Committee to take on some of the practices they are doing. Have the same kind of reports each month. They are the ones responsible and thinks it would be a big mistake if in the best of intentions we took steps

to oversee their responsibilities. O'Keefe thanked him and said to be clear for anyone at home explained the School Committee is not required throughout the year to give us any authorization or any transfer documents until the end of year to clean it up. But DOR has said all expenses must be in Munis. That mandate still exists. On February 28th if the expenses are not in Munis, he will not sign a payable warrant. He doesn't care where the budget is as he has learned that isn't their job. They will look at the bottom line and that's it. Allard said she has much more responsibility with the actual expenditures and the moving of the funds and the justification for doing so. Ms. Allard said the past practice was the prior Business Manager would get together with her once a week to go over transfers that had been presented to the School Committee and would have the documentation. This has been happening in the past. It is needed and was justified especially with the grants because a lot of payroll should be applied to grants and it made it hard to track and manage those grants. Barrows mentioned the Town Accountant brings up a good point what the past practice has been. What is good practice to provide the appropriate internal controls so that when you are audited you can demonstrate you have your control in the finances? He thought it important the Business Manager be at the Tri-Board meeting. The Board needs to open up lines of communication and establish some expectations? This is not anyone trying to exert their authority over one another but what is the expectation for people to meet. We all realize the gravity of the situation we are facing with DOR and we are making some good positive steps tonight but we need to make sure it's being done collaboratively and establish some target dates. The dates don't matter if we don't have an agreement of what the expectations are. Starting with that at the meeting will be a good starting point. What needs to be done, what are the past practices that worked that we want to continue doing, what is it we have to implement now based on the lessons learned and then we can start assigning some action timelines to it and have a list and who's responsible and keep track of it. He said we are getting feedback from one of our employees and we are at a point where we say we have to work together and set our expectations and also agree on those expectations. Kreidler said we get into a level of discussion once a month around a large part of our budget and dance around sometime because they are not here and question should we be talking about it without them responding and asked the Board if they thought it would be appropriate to invite the School Business office to send their representative to be here once a month so all parties are represented. The Board thought it would be great. If they were represented this evening, they would have been more informed. Barrows said this would be a good practice to establish going forward. Kreidler informed them that he has attended every School Committee meeting since this happened for that reason. If we cross populate meetings, less can fall through the cracks and less can be misunderstood. It was decided to bring this up at the Tri-Meeting. Allard stressed that payroll is an issue and wants to bring it in and have cross-training so if a person is out others can process it. It's important to have this discussion as a whole group. Cross population is a great idea. Kreidler stated one of the takeaways from DOR is to work better together. He is happy to report at the most recent School Committee meeting that he felt comfortable sitting there for the first time in months. It's not because things are ducky but it was collegial and professional. One of the things that held up the audit last year was the execution of the representation letter. This is a piece that is required to be done before the audit can be issued. The Town Accountant, Town Treasurer, Town Manager, Superintendent and the School Business Manager have to sign a legal document saying they represent that all of these above listed things have been done and that we have provided them access and documents. He said for FY14 the representation letter became important. He received it last night from the auditors via email. First thing this morning he printed it out and had his staff sign it and it was then driven over to the School and within twenty minutes the Superintendent and Business Manager had signed it. This is indicative of a move in the right direction we didn't have a year ago or a month or two ago. He's had some very pleasant conversations with Dr. Khelfaoui that have been productive and this is a thing that last year took months to get resolved and we got it done within twenty minutes today. Ms. Allard was thanked for her attendance this evening.

Snow and Ice Deficit Spending Permission Request from DPW Supt. John Deline – Mr. Deline came before the Board explaining he is before them again due to the tremendous amount of hours his crew has worked with the recent snow storms. Barrows thanked him and wanted him to pass that along to his entire team given the amount of snow we have received in a short period of time. The job they have done is fantastic. He was pleasantly surprised with the roads here in Winchendon compared to other communities he has to drive through. Deline spoke highly of his crew giving them kudos. He appreciates his comments and will pass them along. Kreidler

wanted to take this opportunity while John was here to emphasize the bylaw with snow and what you can and can't do. It seems frustrating you clean your driveway and then a plow comes by and you get a windrow again. It's not being done intentionally; it's just what happens in New England. As a resident, you are not allowed to snow blow back into the road; you have to find a place to put it. He pointed out that these guys are out plowing twenty, twenty-two hours straight and they are tired and get frustrated. If you are putting snow in the road and they are plowing, you're frustrated because you are trying to clear your driveway, they're frustrated because they have been plowing all night and tempers can flair. He spoke of an incident this past storm that that occurred. One of our drivers and a resident exchanged words because of snow being put in the road and a snow blower being left in the road. He wanted them to know that this is a cool community because that worker and that resident met today having slept and they were able to talk to each other and apologized and it was left wonderfully. It shouldn't have had to happen and reminded people to please don't put your snow in the road to help the guys. Kreidler said we have really good guys that are working and this speaks volumes of the employee. Everyone makes mistakes but it's how it's handled that's judged how he handled it. Deline begged residents to not push snow in the road. There are fines for doing this but he hadn't gone that far yet. People also need to keep their vehicles off the street. Also a lot of trash barrels are left on the side of the road and asked residents to please pick up your trash barrels and reach out to trash removal companies to set barrels back off the road. Barrows moved approval of the request of the Dept. of Public Works Supt.; O'Keefe seconded. Kreidler said this puts the budget at \$170,000 over. This is the amount that we put the General Government budget line over in November making cuts anticipating this. By a vote of all aye, the motion carried unanimously. John was thanked for his good work.

The Board took a three minute recess at 9:38 p.m. and reconvened at 9:48 p.m.

The Board moved out of order to **OLD BUSINESS**:

CDBG Update/Vote of Approval of Application – Selectman O'Keefe recused himself from this discussion as he has property located within the suggested project locations. Director of Development Gerald White came before the Board to brief the Selectmen on what projects had been finalized through the public process and at the Public Hearing held the night before. It was decided to put forward in the Community Development Block Grant two projects in the downtown area. If approved, the two projects are full depth reconstruction of Chestnut St. and Walnut St. which includes all utilities, water/sewer/drainage/sidewalks/curbs/streets. That totals around \$650,000 out of the \$900,000 grant. In addition, for a second activity, which gives us bonus points in the application process they will be applying for a planning activity to hire a consultant to do a Housing Production Plan for subsidized housing which follows along with our Master Plan. He reported the application is going in next week. He has had nine meetings and one Public Hearing and is before them tonight seeking the Board's vote of endorsement. He informed them that the two streets have met all the national objectives of being low to moderate income at 65%. Hunt said those roads need the work. Barrows moved the Board vote to endorse and approve the application for the CDBG grant for FY15; Hunt seconded. There was a brief discussion of our percentage of low to moderate housing numbers and how many would be represented in the second activity. White replied twelve to fifteen. By a vote of all aye, the motion carried unanimously. Mr. White was thanked for his presence this evening.

Before leaving Mr. White asked if he could make a comment he felt compelled to say to the Board and Mr. Kreidler due to the recent events with the public out there and the issues that have come about with the chatter and the things of this nature with the recall. He doesn't go on Facebook but he heard there was a comment made that Town employees were not signing or partaking in this because we were afraid and we were being intimidated. He wanted them to know that they are not, speaking for himself, and he knows others, and said he supports the administration of the Board and Mr. Kreidler and whoever made the statement and he was told who it was that they need to speak for themselves and not for him.

The Board returned to New Business:

NEW BUSINESS:

FY13 Audit Correction Action Plans – Selectman O’Keefe returned to the table. Hunt said she thinks this needs to be addressed at the Joint Meeting with the School Committee and Finance Committee and asked for it to be placed on the agenda.

Deficit Legislation Borrowing Authorization - Vote Adoption – Kreidler explained the borrowing authorization and read specific language the DOR has supplied for the Board to move, vote and to certify if it meets their approval:

VOTE OF THE BOARD OF SELECTMEN

I, the Clerk of the Board of Selectmen of the Town of Winchendon, Massachusetts (the "Town"), certify that at a meeting of the board held February 4, 2015, of which meeting all members of the board were duly notified and at which a quorum was present, the following votes were unanimously passed, all of which appear upon the official record of the board in my custody:

Voted: That in accordance with the provisions of Chapter 448 of the Acts of 2014, it is hereby determined that \$3,000,000 of the \$6,000,000 authorized to be borrowed by the Town under Article 4 of the Warrant at the November 24, 2014 Special Town Meeting, to finance the Town’s operating deficit in fiscal years 2015 and 2016, is authorized to be issued by the Treasurer upon such terms and conditions as may be approved by the Director of Accounts of the Massachusetts Department of Revenue.

Further Voted: That the appropriate officials of the Town are authorized to file an application with The Commonwealth of Massachusetts' Municipal Finance Oversight Board to qualify under Chapter 44A of the General Laws any and all bonds or notes of the Town that have been authorized, but not yet issued as of the date hereof; and in connection therewith, to provide such information and execute such documents as the Municipal Finance Oversight Board of The Commonwealth of Massachusetts may require.

Further Voted: that each member of the Board of Selectmen, the Town Clerk and the Town Treasurer be and hereby are, authorized to take any and all such actions, and execute and deliver such certificates, receipts or other documents as may be determined by them, or any of them, to be necessary or convenient to carry into effect the provisions of the foregoing votes.

I further certify that the votes were taken at a meeting open to the public, that no vote was taken by secret ballot, that a notice stating the place, date, time and agenda for the meeting (which agenda included the adoption of the above votes) was filed with the Town Clerk of the Town of Winchendon (the "Town Clerk") and a copy thereof posted in a manner conspicuously visible to the public at all hours in or on the municipal building in which the office of the Town Clerk is located or, if applicable, in accordance with an alternative method of notice prescribed or approved by the Attorney General as set forth in 940 CMR 29.03(2)(b), at least 48 hours, not including Saturdays, Sundays and legal holidays, prior to the time of the meeting and remained so posted at the time of the meeting, that no deliberations or decision in connection with the sale of the Bonds were taken in executive session, all in accordance with G.L. c.30A, §§18-25, as amended.

Dated: February 4, 2015

Clerk of the Board of Selectmen

Barrows so moved; O’Keefe seconded. Kreidler explained what is a bonus and important for the people at home to recognize is that in the second paragraph any debt we are authorized for to borrow but not yet borrowed for, specifically \$2.75 million for the police station, and \$800,000 for the ladder truck and any of the borrowing components for the library, we are being authorized under this vote to go through the Municipal Finance Oversight Board of the Commonwealth. If we were to go out today and borrow on our own we would have our bond rating reviewed. Our current rating of AA would likely, given the backdrop we are playing right now, be downgraded.

This avoids that and allows us to go through the Municipal Finance Oversight Board and realize their double A bond rating. It saves the taxpayer a significant amount of money long term not only for the deficit borrowing but the bonus is for all additional borrowing that has been authorized but not yet fully financed. He said he has not seen this provision in other documents and with his discussion with Mr. Perry of the DOR, about how we can best position ourselves to move forward, come out of this and move quicker, stronger, better; this is a bonus. To the extent of any of our travels we bump into the Dept. of Revenue, let them know we appreciate it. This will have a significant value to us in terms of that actual carrying costs of the debt. By a vote of all aye, the motion carried unanimously.

Berndt said Mr. Perry wanted them to seek a motion for a financial management audit from Mr. Kinsley of the DOR in place of the forensic audit. Using their resource wouldn't cost a penny to the town. Kreidler referenced an email they had received from Gerry Perry in which one of his recommendations was we do not conduct a forensic audit however have the Board of Selectmen vote to request a full financial management review of the DOR Technical Assistance Unit, which does not cost the community any funds. The School Committee has already voted in favor to support this as part of their recommendation to you leading up to the Deficit Reduction Plan. Berndt said also the Finance Committee voted to approve this. Barrows moved the Board vote to support the recommendation of Gerry Perry of the Dept. of Revenue; Hunt seconded. By a vote of all aye, the motion carried unanimously.

OLD BUSINESS: (continued)

Yard Sale Policy – 1st Reading – It was agreed to pass over this item to the next regular meeting.

Class II Policy Discussion - It was agreed to pass over this item to the next regular meeting.

TOWN MANAGER'S REPORT:

1. Personnel Updates-

- a. Health Insurance Advisory Committee (IAC)-** Kreidler held the meeting with the IAC now two weeks ago and the health insurance consultant presented the results of the Request for Proposals (RFP) for our plan change. (copy enclosed) After the presentation and after taking questions from each of the union and non-union groups in the meeting there was a vote taken to accept the changeover in plan to a fully insured premium based GIC benchmarked plan. The vote was 8 yes, 0 no and 2 abstain. Payroll deductions for this change began with this past payroll and we will be fully switched over effective March 1, 2015.

Kreidler said the good news about this is less about the details and costs and more again about the cooperation. The group moved quickly for the benefit of the community recognizing they were going to take a significant hit but did the right thing and stepped up without hesitation or reservation. Hunt asked about the increase. Kreidler replied it is around a 30% increase, becomes fully insured premium based plan. There is no longer reinsurance; there is no longer health insurance trust, no longer any of the risk that was born in the past. For a decade the community and taxpayer benefited from the plan that we had. We had a significant turn of events during a period of time where the system we had in place wasn't providing eyes on the issue. It's interesting to note if you've seen any of the Boston papers in the last two weeks, while its easy and not necessarily unfair to be critical of what happened here in the Town of Winchendon with self-insurance and while we can explain with legitimacy the series of events that occurred with personnel absence or lapses, there is value looking at the Group Insurance Commission (GIC). They are the largest self-funded group for health insurance purposes in Massachusetts. The fact that GIC with state oversight, with the best consultants that exists monitoring the matter, with all groups represented, Fallon, Harvard Pilgrim, Tufts they are presently sitting at a \$190,000,000 deficit in this fiscal year. He isn't saying this because misery loves company. He is saying it because of the nature of the business and how quickly it can sour. Even in their situation where

they are in a far better position not having vacancies, not having transitioning in key positions, not having structural systemic procedures that contributed to this, they still were hit with a \$190,000,000 deficit. This is not to justify what we have gone through and are going through, it is meant just to give context.

O'Keefe asked about two-thirds of the fiscal year we were self-insured and asked what has happened since we have had it still wondering if it continued to run in a deficit or is it turning into a surplus. Kreidler said it will, as predicted by our consultant back in the fall, his analysis said we would likely end the year in a \$200,000 deficit. The DOR rounded it up and said \$400,000. There is connectivity with payroll deductions and with the school not entering payroll it's hard for the Accountant. She has done a manual job to try and keep tabs on this. At the meeting on the 21st, we were looking at about a \$300,000 deficit projection. Claims are trending down however and he thinks it will be closer to the original \$200,000. This deficit is not included in the \$3,000,000 deficit spending borrowing authorization due to the \$568,000 the town has on deposit with BCBS for the tail end, sixty days of bills that trickle in. Do we get anything back and when? Jim wasn't sure and is not counting on getting anything back. O'Keefe asked if the last two months in bills were less than that \$568,000 would we then get that back this fiscal year. Kreidler replied he didn't know when we would get the balance back but his expectation was they were not going to get anything back. He was expecting to cover the tail end with the deposit based on analysis that has been done. He has been asked to do an analysis on what our rates were when we were last premium based before we went to self-insurance and then apply the trend in health insurance premium increases over the number of years we were self-insured and then look at those two numbers where we end. A quick look puts us down at \$1.4, \$1.5 million but it is being teased out. Kreidler concluded by saying if you bump into the union reps give them a nod as they did a great turn to the community. O'Keefe asked who they were and would be provided their email group list.

2. Financial Updates-

- a. The Deficit Legislation-** As he earlier reported, last Wednesday they had a meeting at the Department of Revenue offices in Worcester. The meeting was chaired by Gerry Perry, the DOR's Director of the Bureau of Accounts. Mr. Perry has since retired. What does that mean for us? Mr. Perry's auto reply on email says he is no longer here, but if you need to talk to him about anything, please feel free to use his cell phone or his home email. Someone locally posted on Facebook Mr. Perry's contact information. He was concerned about this and contacted him to inform him. He explained how that happened as it was in his auto-reply and didn't really think of all that could happen. Mr. Perry informed him that Governor Baker appointed Sean Cronin, who was the Deputy Town Administrator for Brookline, as the new Senior Deputy Commissioner of Local Services. He is a brilliant budget guy and has authored one of the leading white papers on municipal budgeting. Until Mr. Perry's seat is filled, he is the guy. Mr. Perry said to speak with Mr. Cronin and that we are well covered. Kreidler said at that meeting on January 21st there were no fewer than six staff members from the DOR that are familiar with everything Winchendon. There are more DOR staff members behind the scenes working on our books. We have more eyes on us in six months than we've had perhaps in sixty years. He was assured by Mr. Perry that we were covered. He suggested he speak with Mr. Cronin and he did call him today.

Kreidler mentioned the emails they received from Mr. Perry and the bullet points drafted for action items taken away from that meeting. An additional email he requested list from Mr. Perry specific points that were offered in the meeting that he confirmed. He said these are public documents if anyone at home wants a copy that hasn't seen them, he would be happy to provide

them. Hunt asked for those items be put in the Joint Meeting as a good starting point. The recommendations in are the following:

- Appropriate funds at the next town meeting to acquire a new (or revamped existing software) accounting software package that includes training modules;
- Make every effort during FY15 to reduce expenditures on both the school and town side so that funds are reverted back to the general fund;
- Conduct monthly budget meetings with appropriate staff, and report back to the Selectmen and School committee what occurred during these meetings (a DOR representative will attend these meetings);
- All comments on the DRAFT Audit to be offered back to the Auditor's to go through the office of the Town Manager and not directly to the auditors;
- When the outside auditor reports his findings to the community, establish a joint meeting of the Selectmen, School Committee, and Finance Committee to hear the findings with;
- Establish an audit committee;
- On a quarterly basis, have the chairs of the Selectmen, School Committee, and Finance Committee meet to discuss appropriate policy matters;

As was reported out by Finance Committee Chairman Tom Kane, DOR recommended that they do not conduct a forensic audit, however have the Board of Selectmen vote to request a full financial management review of the DOR Technical Assistance Unit, which does not cost the community any funds;

The to do list includes:

- Complete the FY14 audit within the next month;
 - Submit to this office quarterly budget to actuals in the future;
 - Resolve the school payroll issue which the school business manager is responsible for;
 - Appropriate approximately \$72k in FY16 for a new supplemental reserve account;
 - Borrow \$3.0m for the deficit in FY15;
 - Work with their financial advisors to successfully get the borrowing approved, and submit a request to the Municipal Finance Oversight Board to have the borrowing state qualified;
 - Submit the FY15 recap for tax rate approval so that bills can be mailed to the taxpayers of the town;
 - Complete a pro-forma recap sheet for FY16 in late June, early July, 2015;
- b. Meals Tax- Kreidler reported that the first installment of Meals Tax to the town should be received starting with April 1, 2015. Linda has been working with the DOR on this matter as a result of the Town Meeting vote accepting this local option statute. The expectation is \$70,000 - \$72,000 a year in quarterly installments.
- c. **The FY16 Budget-** Kreidler stated all departmental budgets were received on January 22, 2015. Please see the attached DRAFT town meeting calendar for your consideration and approval. The calendar was reviewed. Kreidler pointed out the Finance Committee's meetings were not included as they will inform us of their meetings. Hunt moved to accept the calendar and open the Special and Annual Town Meeting warrant on February 23rd and close the warrant on April 13th for an Annual and Special Town Meeting to be held on May 25, 2015; Barrows seconded. By a vote of all aye, the motion carried unanimously.

3. Project Updates-

- a. **Phase 5 North Central Pathway-** Kreidler reported Phase 5 of the Bike path project bids was awarded and the work on the project will begin in the spring.
- b. **Proposed Business-** While we recognize that nothing is real until it is real, Kreidler reported the following are all ongoing:
 - i. Salvadore Auto group's proposed Jeep dealership project at the intersection of Rt. 140 and Rt. 12 is scheduled to be before the Planning Board next week. It will be an exceptional gateway business and create new tax base and jobs for the town.
 - ii. We have been working with a business, which wishes to remain confidential for now, in an effort at landing them here in town as they seek to expand from another location within the region. They are currently functioning in a 10,000sf space and are looking for a minimum of 30,000sf. Their projection is 20 jobs.
 - iii. This group has made an offer on a property in town and the offer was accepted. This group is pursuing the adaptive reuse of a currently vacant building in town for their operations. Their initial job creation estimate is 50 new jobs created here in Winchendon.

Barrows asked about the solar array at the Transfer Station. Kreidler replied Counsel and Project Manager for Sun Edison had a conference call this week. The final draft is due to be turned in by the end of this week for presentation at your next meeting.

- c. **Police Station Filed Sub-Bids-** There was a group meeting with the project engineer, the architect, the engineer and local staff. It will be back out to bid with minor modifications likely with the Central Register not this Tuesday but the following one with a thirty day turnaround. The expectation is a biddable project that will come within budget.

4. Miscellaneous Updates-

- a. **None.**

5. Tickler File- Kreidler reported these items are more specific to Town Meeting and still exist on the Tickler File.

- a. **Yard Sale Bylaw-** Per discussion at your Dec. 29th meeting, a Board policy versus a Bylaw is being crafted for your review and consideration for adoption.
- b. **Multifamily Residential Unit Inspections-** I have been working with Counsel to have a draft bylaw available for your consideration for the annual town meeting. This bylaw will seek to place a local penalty on the books for multi-family residential property owners who fail to have their properties inspected.

Hunt asked if they had the opportunity to look at the system for dog complaints in the Read Me file being happy to receive the information. There have been two dog bites a month and she was surprised.

MINUTES:

Monday, December 29, 2014 Regular Meeting - O'Keefe moved for approval; Hunt seconded. By a vote of all aye, the motion carried unanimously.

Monday, January 12, 2015 Regular Meeting - O'Keefe moved for approval; Hunt seconded. By a vote of all aye, the motion carried unanimously.

Monday, March 24, 2014 EXECUTIVE SESSION - Hunt moved to release; Barrows seconded. By a vote of all aye, the motion carried unanimously.

Monday, April 14, 2014 EXECUTIVE SESSION – O’Keefe moved to release; Barrows seconded. By a vote of all aye, the motion carried unanimously.

COMMUNICATIONS: N/A

AGENDA ITEMS: Barrows and O’Keefe announced they would not be able to attend a Joint Meeting of the Board of Selectmen, School Committee and Finance Committee being scheduled for February 23rd. They discussed the School Committee and Finance Committee still having the Joint meeting with Berndt and Hunt present but not able to make any decisions. It was decided they could bring back actionable items to a meeting to be scheduled the following Monday, March 2nd.

With no Executive Session being called for this evening Barrows moved to adjourn; O’Keefe seconded. By a vote of all aye, the meeting adjourned at 10:42 p.m.

Respectfully submitted,

Linda Daigle
Executive Assistant