

**TOWN OF WINCHENDON  
BOARD OF SELECTMEN MINUTES  
JOINT MEETING BOS/FINANCE COMMITTEE/SCHOOL COMMITTEE  
MONDAY, May 14, 2015  
Town Hall, 2<sup>nd</sup> Floor Auditorium  
109 Front Street, Winchendon, Mass.**

Present Board of Selectmen:

Michael Barbaro, Chairman  
Town Manager  
Barbara Anderson, Vice-Chair  
Audrey LaBrie  
Amy Salter  
Austin Cyganiewicz

Scott Livingston, Interim Acting  
  
Linda A. Daigle, Executive Assistant  
Debra Dennis, Recording Secretary  
Donna Allard, Town Accountant  
Lauren Goldberg, Town Counsel  
Kopelman and Paige

Present Finance Committee Members:

Chairman Thomas Kane  
Ulysse Maillet  
Robert Guenther

Cyndi Leroy  
Darlene Rossi  
Christian Orobello

Present School Committee Members:

Chairman Dawn Harris  
Vice Chairman Greg Vine  
Danielle Hart

Dr. Salah Khelfaoui, Supt. of Schools  
Mark Chapulis, School Business Office  
David Lockwood, School Business Office

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List of Documents Presented at Meeting:

None

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Chairman Barbaro called the meeting to order at 5:07 p.m. with the Pledge of Allegiance to the Flag of the United States of America. The meeting aired live on local cable access channel 8.

Announce audio/video recording disclosure. No one is audio/video recording the meeting this evening.

Chairman Barbaro thanked everyone for coming. Chairman Barbaro said the reason for tonight's meeting is to discuss with the Department of Revenue (DOR) and go over what is going on with town finances and how we can approach town meeting.

Senator Anne Gobi and Representative Zlotnik were introduced by Board of Selectmen Chairman Barbaro. Senator Gobi thanked all the boards. She said that tough times don't last forever, tough people do. We are going to get through this together. I pledge to work with you to get through this. We have to work in the present and plan for the future. Representative Zlotnik said that we are here to help as well as the DOR. We need to start moving forward.

All attendees at the tables introduced themselves.

The DOR representatives introduced themselves.

Debra Wagner, Bureau of Accounts Field Representative Division of Local Services, Dept of Revenue

Zack Blake, Director of Technical Assistance Services

Tony Rassias, Deputy Director of Bureau of Accounts

Shaun Cronin, Senior Deputy Commissioner of Local Services

Rick Kingsley, Bureau Chief of Municipal Management and Technical Assistance

Chairman Barbaro said that the purpose of this meeting is to inform us as to what we can do at town meeting. He asked if the DOR could give a quick overview of how we came to where we are.

Shaun Cronin explained what they do. He said that the town has taken steps in the right direction. Currently there is three million in deficit finance notes. A recap was submitted and ultimately approved. He said they require a quarterly budget to the actual reports within 30 days of the end of the quarter which is going on now and that steps have been taken to resolve payroll issues and setting up an Audit Committee. He reported that the town has appropriated \$60,000 for a new financial system or to make an adjustment to the current system. In FY15 there is at least a deficit of one million dollars. He recommended that new members seek out formal training that is available. He said there is a day long course in Marlboro on June 2nd. He said that this is the responsibility of each body which has been lacking. There is substantial work that needs to be done. You need to close the FY15 books, set a tax rate. If there are no additional improvements, state oversight will be considered. He said you need to seek out an experienced town manager to help the town improve their books. You need someone with a strong financial skill set. You need a qualified candidate. I encourage you do not delay. You need regular formal meeting between the three boards. Town and school are one entity. Mr. Cronin commented that Rick and Zack will be performing a financial review of your community in June. He said you will be given every chance to succeed. He said strive to succeed.

Tony Rassias said to look at Chapter 448 of the Acts of 2014. That is the Winchendon legislation. That is what is guiding us and how we are going to be helping you. There were provisions in the legislation that allowed you to borrow so you could balance the budget in 2015 and for the deficit that happened in 2014. Without this legislation you would not have been able to borrow. He said his name appears on that note and wants to make sure were doing this right and get to a balanced budget. Quarterly reports are important. It gives you an idea as to how you are spending it. Keep your eye on how much is being spent. We are trying to provide a road map on how to get you back in health. You need an audit report and a balance sheet to set the tax rate. Mr. Rassias said any other debt that the town is going to be considering has to be run through him. There is a special fund created by the Legislation that is about \$78,000. It is a commitment for the town. You are going to be seeing a budget that is different than you're used to. The town will look at the budget by line item. We don't want to have that line item overspent. He said that communication is important. He asked boards to communicate with each other. He said to talk about what is going on. You should have representatives sit with the Finance team. You need to discuss what is happening and iron out any issues. We need to get you back on track financially.

Rick Kingsley said borrowing 3 million dollars is about 10 1/2 % of your budget. Deficit borrowing let's you borrow up to six million dollars but he said he didn't advise that. The deficit notes are authorized by qualified bonds. Our office pays local aid and we take that payment out of local aid. The advantage is that you get the state bond rating. You need careful management. He said his advice is to get an Interim Manager in here yesterday. You need to work with department heads and find out where you stand at the end of this fiscal year. You can't borrow any more until the books are closed. He said the priority is to get an interim town manager.

Board of Selectmen Chairman Barbaro said that DOR has some questions as to what we should and shouldn't be doing concerning the town articles. Tony Rassias said you don't need articles 2 and 3. He said you will be allowed to borrow what you need to with permission of Director of Accounts. We knew certain accounts were under budgeted. Mr. Rassias said the articles that say special deficit funded, you don't need to vote on them. He said on articles 4, 5 and 6 which is using funds from the overlay surplus account you might not have as much as you thought. Selectwoman LaBrie asked how much is in the overlay surplus account. Donna Allard, the Town Accountant said that there is none. Debra Wagner said any deficit at the end of FY15 will be covered by the deficit legislation. She said that borrowing should be the last resort. Rick Kingsley said that you need to minimize the amount you borrow. He said he wouldn't want the stabilization account to go below \$600,000 or \$700,000 and to amortize snow and ice over 3 years.

Greg Vine said he is concerned about getting up at town meeting and recommending voting for everything if the DOR has concerns. Rick Kingsley said that you need a budget. The superintendent and School Committee will have to live within that budget. Greg said that there is some confusion where we are borrowing from. Tony Rassias said that you would not be able to borrow without this legislation. Tony said state aid will pay the bank. Tony said they know they will get their money. It is a general obligation for the town.

Tony Rassias said he doesn't know what Article 15 means. He asked what this vote does. Rick said you can allocate a portion of the deficit to the school. It is not eligible towards net school spending. Finance Committee Chairman Kane said that when calculating indirect costs, this \$200,000 can't be part of that. Tony Rassias said it is debt service. Rick said that the 3 million dollars is for previous years. Debt service isn't allowable for net school spending. Chairman Barbaro said that 66 % of the debt is from the school side. Rick said it is not net school spending. The School Superintendent said there were agreements not to look at article 11 just look at article 12. School Superintendent said they did include the \$300,000 of the override. He said we have \$300,000 above net school spending. He commented that we would not be in violation of net school spending. Chairman Barbaro said the \$300,000 is to pay for preschool. If it does then we don't have any preschool. We can't use net school spending to pay for preschool. We only have the \$300,000 over net school spending to pay the \$207,000 debt. Other than the \$300,000 we are at net school spending. You have to take the \$207,000 out of the \$300,000. It doesn't leave enough to pay for preschool. Town Counsel said it would be better to meet tomorrow to discuss this. School Superintendent said we need to talk to Mr. Sullivan. Town Counsel said if you appropriate it twice then where is the additional money coming from in Article 12. It makes sense to talk to Mr. Sullivan tomorrow.

Shaun Cronin said that we are here to help. We are ready, willing and able to work with your town. He said get an Interim Town Manager whose primary skill set is financial management. He said it's about leadership. Tony Rassias asked if everyone was willing to do this, are you all willing to straighten this out.

**A motion was made by Selectwoman LaBrie to have a five minute recess. The motion was seconded by Selectwoman Salter.**

**BARBARO(Y)      ANDERSON(Y)      SALTER(Y)      LABRIE(Y)  
CYGANIEWICZ(Y)**

A five minute recess was taken at 6:25 p.m. The meeting reconvened at 6:40 p.m.

Chairman Barbaro said that Articles 4, 5 and 6 are no longer being able to be funded. The prior votes need to be changed. Other than stabilization there are no other funds available to us. Finance Committee member Ulysse Maillet said that with the tough financial constraints, we need to cut any items that we don't need. He supports the senior work off program but this is an article we should pass over. There is no money to support articles 4, 5 and 6 since there are no funds in the overlay surplus. We need to pass over or not support these articles. Town Counsel said that you can always fund it later if you have the finances. Selectwoman LaBrie said that article 4 and 5 we are not required to do, but article 6 we are required to fund. Donna Allard, the Town Accountant said that it can be paid out of something else.

Board of Selectmen Chairman Barbaro said that they will have a meeting Monday night prior to town meeting. Selectwoman LaBrie asked Town Counsel if any of the articles can be moved on town floor if there is a new revenue source. Town Counsel said yes.

## **ADJOURNMENT**

**A motion was made by Selectwoman LaBrie to adjourn the meeting. The motion was seconded by Selectwoman Salter.**

**BARBARO(Y)      ANDERSON(Y)      SALTER(Y)      LABRIE(Y)  
CYGANIEWICZ(Y)**

The meeting was adjourned at 6:55 p.m.

Respectfully submitted,

Debra Dennis  
Recording Secretary