

**TOWN OF WINCHENDON  
BOARD OF SELECTMEN MINUTES  
JOINT MEETING BOS/FINANCE COMMITTEE/SCHOOL COMMITTEE  
MONDAY, August 24, 2015  
Town Hall, 2<sup>nd</sup> Floor Auditorium  
109 Front Street, Winchendon, Mass.**

Present Board of Selectmen:

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

Bernard Lynch, Acting Town Manager  
Linda A. Daigle, Executive Assistant  
Debra Dennis, Recording Secretary  
Donna Allard, Town Accountant  
Sheryl Wright, Financial Consultant

Donna Spellman Collector/Treasurer

(sitting in the audience)

Present Finance Committee Members:

Chairman Thomas Kane  
Robert Guenther, Vice-Chair

Cyndi Leroy  
Ulysse Maillet

Christian Orobello  
Maureen Ward

James Robichaud

Present School Committee Members:

Chairman Dawn Harris  
Danielle Hart  
Janet Corbosiero

Steven Haddad, Supt. of Schools  
Mark Chapulis, School Business Office  
Andy Paquette, School Business Office  
(sitting in audience )

Absent: Greg Vine

---

List of Documents Presented at Meeting:

- Dept. of Revenue Financial Management Review July 2015 (attached)
- 

The Joint Meeting was called to order at 6:35 by Chairmen Barbaro, Chairman Kane and Chairwoman Harris. All stood for the Pledge of Allegiance to the Flag of the United States of America. The meeting aired live on local cable access channel 8.

Chairman Barbaro called for a moment of silence in remembrance of on-call Firefighter Jason Hurton.

**NEW BUSINESS:**

*Board of Selectmen Minutes  
Joint Meeting BOS/Finance Committee/School Committee  
Dept. of Revenue Financial Management Review  
August 24, 2015*

## **Department of Revenue Division of Local Services – Financial Management Review of the Town of Winchendon**

Chairman Barbaro spoke of the purpose of tonight's meeting is to review with the Department of Revenue (DOR) their Financial Management Review. He said the DOR did an outstanding job looking at what happened.

Zack Blake, Technical Assistance Services Director of the Department of Revenue, introduced the two people with him. Debra Wagner from the Bureau of Accounts Field Representative Division of Local Services, Department of Revenue and Mr. Kalivans, Technical Assistance Bureau, Department of Revenue. Mr. Blake said in March of 2015 we were invited out by a joint request of all boards to do a Financial Management Review. It was spear headed because of the financial crisis. He said it had a cascading effect that was caused by overspending, deficits, cash receivables and uncollected tax turnover to the financial offices along with a tremendous amount of key personnel adding to the turmoil. He said as a result there was a cash crunch and special legislation was sought for over eight million. Mr. Blake said the town has borrowed around three million so far. He said at that time we came up with a plan to resolve this. He said unanticipated health insurance was also a reason. He said the Division of Local Services is a small unit that offers consulting service to towns and looks at financial policies. He said we do a third party review. We met with the former Town Manager, finance officials, Chair of the Finance Committee, former Board of Selectmen Chair and also Mr. Lynch. He said the report was completed in July; it is made up of two sections the primary recommendations and the framework to meet milestones. Some of the recommendations were new financial software, reconciliation of cash receivables, moving to GIC health insurance and adopting financial policies. He said the framework is to move Winchendon in a positive direction.

Mr. Blake said from May to July significant progress has been made. He said this expresses a level of confidence to us. He said hiring a qualified experienced Town Manager is important.

Chairman Barbaro introduced Representative Ann Gobi and Representative Zlotnik who were in attendance.

Mr. Lynch thanked Mr. Blake for the support from the Department of Revenue. Mr. Lynch introduced Sheryl Wright. He said she has been a key part of the turnaround in the town. He said the immediate issue was to balance the books of Fiscal Year 2015 and to get through FY15 without any more deficits to state legislation. He said we did the end of the year transfers and there were two budgetary problems. They were the Health Insurance Trust Funds and the Snow and Ice deficit. He gave credit to departments. He said FY16 right now is balanced and he went over it with Debra Wagner today. Mr. Lynch said the auditors will be done by the end of September. He said we need to close the books to have the audit completed. The books will be closed on Friday.

Mr. Lynch said the immediate need is the MUNIS software upgrade after the closing of the books. Ms. Wright is an expert in MUNIS. He said we have implemented a Purchase Order system, and anything over \$300 requires a signature of the Town Manager. He said the Treasurer is moving forward with demands for taxes and will be more aggressive with collection. He said the cash and receivables are now moving to a monthly reconciliation. We are now training the Assistant Treasurer to be the payroll backup. He said we

are also bringing on part-time staff into the office to provide additional backup to ensure finance management remains strong.

Mr. Lynch said they have taken steps to change the health insurance. He said the Board of Selectmen voted to adopt statute which allows for expedited negotiation with unions. He said he has been in touch with all unions for discussion. He has retained an insurance consulting firm Cook and Company and thinks there are some savings. He said he thinks he will have it done in time to go to GIC if that is the way we will go. The financial team has met with Debra Wagner and will meet again sometime in September. He said there is a lot of work to be done before we leave. He said the position for the Town Manager has been posted and so far he has twelve applicants. He said they are interested in working with members of the community.

Mr. Lynch said in the report on page 20 "Financial Policies" is very important. He complimented the Finance Committee on the proposed Financial Policies. He said it is generally very good and he may want to make a few tweaks. He said he met with all departments except the school to talk about a capital plan. A few vital notes in the review is the importance of financial forecasting which they are working on a five year forecast for the town. He said when it is complete, it will be almost a draft budget for FY17 and moving on and a capital plan will be part of it. He said he hasn't looked at a revenue sharing model yet but will be doing some work on that.

Mr. Lynch said the Audit Committee has been established and will get together with the auditor when it is complete. He said we will be working on a personnel policy. He said maybe a community compact program working with the state. He said maybe a form of bylaw or administrative action. He said the cash flow analysis is done for FY16; they are working on the cash book analysis now. He said the billing cycle for water and sewer is not yet done in MUNIS. He said the goal is to get collections in MUNIS. He said we have ordered a computer terminal for the Treasurer. Mr. Lynch said he is looking into increasing the hours of the network administrator to work on the disaster recovery plan. He said the website oversight in the Town Manager's office is already occurring and with additional hours we can provide a help desk that can be useful to all departments.

Mr. Lynch said in 2 1/2 months we have resolved FY15, we have gotten the auditor in and we are looking at GIC. He said we have already signed an agreement to reduce the cost of utilities for next year with a savings of between \$35,000 to \$50,000 at the end of the fiscal year. He said we have taken steps to save the town money, stabilize the finances and move the town forward. He said there is much progress already made. Mr. Lynch said this ends his report.

Chairman Barbaro thanked Mr. Lynch. He said he knows a lot of work was undertaken in the past few months. He said he is happy the books will be closed.

Chairman Barbaro opened the floor up to any questions or comments.

Selectwoman Anderson said she is a little dismayed saying it was not a perfect storm as mentioned in the past but a lack of financial management, lack of oversight, lack of management. Mr. Blake said it's a choice of words. The town was on the verge of state oversight. It was a serious issue. He said as an agency they get involved and work with people who want a change.

Robert Guenther complimented the DOR on the report. He said on page 5 there is a sentence about any positive momentum not being undermined to strip the town manager position. He wanted to know where that came from. Mr. Blake said in May there was some momentum he had been hearing to strip down some of the authority of the Town Manager. He said he wanted to make the statement here because there was some concern. Mr. Blake said professionalism and strength of the Town Manager is needed. He said move the organization of structure forward not back.

Danielle Hart thank the DOR and said the review was very comprehensive. She asked can you speak to the absence of school finances in this. Mr. Blake said our expertise is the town side of finance and policies. He said we can't force changes on the school side because we don't have the authority, DESE does. Mr. Lynch added, the way he looks at it and a way moving forward is its not town/school; we are all the town. He said the issues may not say school but there are issues here that do apply to the school and town.

Mr. Robichaud said he wanted to know about borrowing money to pay bills. Mr. Lynch said it was \$1.2 million to pay retirement, we saved \$24,000. James Robichaud asked if there were legal deficits. Debra Wagner said it is a violation of Mass General Law to overspend. She said the town and the school spending was in excess in FY14 and FY15. Mr. Blake said there is a clear breakdown of the FY14 deficits and how they arose, overlay and snow and ice on page 34. James Robichaud said on page 33 it doesn't show anything on \$200,000 health insurance deficit; he thought there was a deficit. Mr. Blake said that was funded. Debra Wagner said she thought it was funded at town meeting.

Mr. Maillet said a lot of work has been done; he credited all the hard working people in town. His question related to real estate taxes. He wanted to know how much is uncollectible, and can we turn those properties over to a private company. Mr. Lynch said we wouldn't be turning it over to a tax collection agency. He said when our efforts are completed; we would try and sell tax titles in an auction. He said it can be an effective tool to bring money into the town. He said they usually want to buy the good ones that we may want to keep ourselves. He said the first step is to collect taxes aggressively. Mr. Black encourages people to pay. Mr. Maillet said we want to give them the opportunity to pay but we need to be more aggressive.

Chairman Barbaro said he met with the Town Treasurer today and she has a long list of properties and is looking at how we can get tax funds. He said the Treasurer has a detailed oriented list. We have \$1.1 million owed to us. He said with interest it is \$2.1 million. He said she is actively sending out letters and another letter will be sent out in a couple weeks and then it goes to the final steps. He said we do now have funds to do the auction, but that is down the road. He said the Treasurer has made arrangements; some that owe have made promises. He said we should see positive results soon. Ulysse Maillet said it is not criticism of what the Treasurer has done, she works hard. He requested the Finance Committee be informed of what's going on. The Town Treasurer Donna Spellman said yes. Mr. Lynch said its important collecting property taxes. He said it is a constant battle and one of their priorities is making regular reports to the Board of Selectmen in regards to that and will be shared with everyone including the Finance Committee.

Selectwoman LaBrie asked Mr. Lynch about the MUNIS software issues, updates and training that the review specifically points out. Mr. Lynch said each one is going to take time. He said the immediate issues were dealing with FY15 books and getting everything up to date in FY16 in MUNIS and then doing upgrades and training. He said Sheryl Wright is the MUNIS expert. Ms. Wright said when they do the upgrade, it will take a while for all to get used to it and then assess what to do with the training. She said we need to find out what it will cost to get the

tax module. She said within the next year or so we will walk to the next step. Selectwoman LaBrie asked if the school is using MUNIS. Ms. Wright said the school is using MUNIS.

Selectwoman Anderson said our total deficit is \$8.3 million according to your report on page one. Mr. Blake explained the difference between the deficit and cash flow. He said the deficit is what was funded by legislation \$2.972, versus the local aid advances for cash flow. Those were advances you were being granted; instead of a monthly basis, we provided it.

Chairman Barbaro thanked them for the comprehensive report. He said a lot of work has been done and they will continue to work through it. He said we have put our foot on the right path; our next step is hiring a full time town manager and addressing these issues and our cash flow going forward now. He said there are a lot of processes put in place in this community. He said the school, town, Finance Board are all working hard and addressing the problems.

Selectwoman LaBrie said all three boards should schedule a joint meeting before the fall town meeting. She said we could meet in October. Mr. Lynch said the Special Town Meeting is the end of October so we should meet in September or the first week in October. Chairman Barbaro said we should meet jointly on the Board of Selectmen's second meeting in September which is September 28th. We can then rotate the meeting to be on every ones meeting night. We can meet January 7th to have a joint meeting on the School Committee's meeting night. He said we can have a joint meeting with the Finance Committee meeting night which is on March 8th. Mr. Lynch suggested meeting in January because hopefully they will have the new Town Manager on board and the Governor's budget won't be out until January 8th. He said maybe push it until late January or the first part of February. They decided on February 4th they will have a joint meeting at the School Committee meeting. Finance Committee Chairman Kane said the Finance Committee is very busy in the Spring and needs to focus on the warrant. Chairman Barbaro said a joint meeting will be held in April or May at the discretion of the Finance Committee.

**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 Board of Selectmen meeting was adjourned at 7:41 p.m.

Respectfully submitted,

Debra Dennis  
Recording Secretary