

**Town of Winchendon
Winchendon Finance Committee Meeting Minutes
May 12, 2015**

CALL TO ORDER: 7:00 p.m.

MEMBERS IN ATTENDANCE: Ulysse Maillet, Thomas Kane, Cyndi Leroy, Robert Guenther, Darlene Rossi and Christian Orobello
Absent: Ottmar Rau

MATERIALS: Agenda for May 12, 2015
Draft Minutes for April 7, 2015, April 9, 2015, April 14, 2015, April 21, 2015 and April 30, 2015 meeting

MINUTES: A motion was made by Ulysse Maillet to approve April 7, 2015 minutes. The motion was seconded by Robert Guenther.

Kane(Y) Maillet(Y) Leroy(A) Guenther(Y) Orobello(Y) Rossi(A)

A motion was made by Robert Guenther to approve minutes of April 9, 2015. The motion was seconded by Ulysse Maillet.

Kane(Y) Maillet(Y) Leroy(Y) Guenther(Y) Orobello(Y) Rossi(Y)

A motion was made by Ulysse Maillet to approve the minutes of April 14, 2015. The motion was seconded by Robert Guenther.

Kane(Y) Maillet(Y) Leroy(Y) Guenther(Y) Orobello(A) Rossi(Y)

A motion was made by Ulysse Maillet to approve the minutes of April 21, 2015. The motion was seconded by Robert Guenther.

Kane(Y) Maillet(Y) Leroy(Y) Guenther(Y) Orobello(Y) Rossi(Y)

A motion was made by Ulysse Maillet to approve the minutes of April 30, 2015. The motion was seconded by Robert Guenther.

Kane(Y) Maillet(Y) Leroy(A) Guenther(Y) Orobello(Y) Rossi(Y)

Chairman Kane discussed the report to the town concerning the deficit legislation and the changes to the enterprise funds that will be presented at town meeting. He said we are trying to achieve some clarity.

He asked for feedback about content or presentation. The deficit legislation loan is for up to six million dollars. We currently have borrowed three million dollars. He discussed the two warrant articles that pertained to the health insurance and veterans benefits. He said he met with the DOR representative and she explained that the town has already voted to borrow six million dollars. Chairman Kane commented at the end of the fiscal year the books will be audited and at that time we will know how much needs to be borrowed beyond the three million. We don't need to go to the town to ask to borrow more money because we have already gone to the town. There is no borrowing without the DOR approval.

Chairman Kane said that if we use any of the Special Reserve Fund we have to add more the following year. The Special Reserve Fund can only be used by a vote at town meeting. Christian said that when we borrow we need a plan to replace the funds. Chairman Kane said that when the loan is paid off we can place the reserve fund into stabilization. Ulysse commented that with two funds we will have a better healthy outlook.

Chairman Kane said that at the end of this year we will have 1.2 million dollars in the stabilization fund. He said that this is currently below the minimum we want it to be. With no free cash, there is no way to add to the funds.

The committee discussed the changes in the enterprise funds. Chairman Kane explained what indirect costs are. He said prior to this year salaries were apportioned into different accounts. The DOR told us to do it differently. Indirect costs are separated out; they are now in the town budget. The budget on the town side increased this year and shows up under indirect costs. Robert Guenther commented that we can set forth this in our policies.

Ulysse said that this presentation for town meeting is a good beginning. People grasp visual presentations more than oral presentations. Christian said that we need to take this opportunity and perhaps adopt what the DOR is making us do.

AUDIT UPDATE: Chairman Kane said that we received three proposals for quotes of the 5 issued. One of the quotes was from Cooking Company which would do an employee audit and review stop loss. It was for under \$10,000. The quote from Melansen and Heath was significantly higher. Chairman Kane said that it makes sense for the town to move forward. We need an employee benefit audit. He said that he is meeting with Cooking Company on Thursday to discuss the proposal.

FISCAL POLICIES REVIEW: Chairman Kane said that we have a few more policies to look at. One is the enterprise funds. He said that he would like to change the operating budget policy that was previously accepted. He read the new one. He said the new one is stronger and clearer. Ulysse said that we need to revisit what we changed in the budget format and make sure everyone understands it. Chairman Kane said that we will revisit it in the fall. We will invite the school department in. Christian said that the town begins and ends with the budget. He said that we can't use it if the budget format changes every year. A motion was made by Robert Guenther to replace what we had under the operating budget section with the new information. The motion was seconded by Christian Orobello.
Kane(Y) Maillet(Y) Leroy(Y) Guenther(Y) Orobello(Y) Rossi(Y)

Chairman Kane said that he has an invoice from the Gardner News for the notice of the town meeting. The Finance Committee members signed it.

Chairman Kane said that I will have a complete draft of the fiscal policies for the next meeting. He asked the committee members if anyone was interested on being a member of the interim town manager search committee as a Finance Committee representative. Ulysse Maillet nominated Robert Guenther. Robert Guenther said he would be on the search committee.

Next meeting is Thursday, May 14, 2015 at 5 p.m. which is a joint meeting with the Board of Selectmen and the School Committee. This is a meeting with the DOR. Chairman Kane said that there is no need to meet before the town meeting. The regular Finance Committee meeting is June 9, 2015 at 7 p.m.

MEMBERS COMMENTS: Darlene Rossi discussed the policy of voting not to support an article if the person isn't there to explain the article. She said that the people who don't know our policy might not show up. Maybe we could have a handout when they turn articles in. Ulysse said that the Town Manager's office should let it be known. Chairman Kane said that he would ask the town manager's office to do it.

A motion to adjourn the meeting was made by Ulysse Maillet and second by Robert Guenther.

Kane(Y) Maillet(Y) Leroy(Y) Guenther(Y) Orobello(Y) Rossi(Y)

The meeting was adjourned at 8:27 p.m.

Respectfully submitted,

Debra Dennis
Recording Secretary

Minutes Approved