

Town of Winchendon
Winchendon Finance Committee Joint Meeting Minutes
Finance Committee, Board of Selectmen and School Committee
May 14, 2015

CALL TO ORDER: 5:07 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 14, 2015 Joint Meeting

Pledge

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.

Debbie Wagner, Division of local services Bureau of Accounts

Zak Blake, Division of Local Services Technical Assistance

Toni Rassis, Deputy Director of Bureau of Accounts

Shaun Cronin, Senior Deputy Commissioner of Local Services

Rick Kingsley, Bureau Chief of Municipal Management and Technical Assistance

Board of Selectmen Chairman 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.

Shawn Cronin explained what they do. He said that the town has taken steps in the right direction. Currently there is 3 million in deficit finance notes. He commented that the town is following their requests of having quarterly budgets, a new financial system and an audit committee. 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. Rick and Zak will be performing a financial review of your community in June. You will be given every chance to succeed. Strive to succeed.

Toni Rassis mentioned that you look at Chapter 448 of the Acts of 2014. That is the Winchendon legislation. That is what is guiding us. There were provisions in the legislation that allowed you to borrow so you could balance the budget in 2015. Without this legislation you would not have been able to borrow. He said his name appears on that note. He said that he wants to make sure were doing this right. He wants to make sure we 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. Any other debt that the town is going to be considering has to be run by me. There is a special fund created from Legislation that is about \$65,000. 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 to get 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 I don'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 asked what we should and shouldn't be doing concerning the town articles. Toni Rassis said you don't need articles 2 and 3. You will be allowed to borrow what you need to with permission of director of accounts. We knew certain accounts were under budgeted. He 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. The town accountant said that there is none. Debra Wagner said that any deficit at the end of FY15 will be covered by the deficit legislation. 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 and to amortize snow and ice over 3 years.

Toni Rassis said that you would not be able to borrow without this legislation. He said state aid will pay the bank. They know they will get their money.

There was lengthy discussion about article 15 and calculating indirect costs concerning the school. Finance Committee Chairman Kane said that when calculating indirect costs, this \$200,000 can't be included.

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. Toni Rassi asked if everyone was willing to do this.

There was a five minute recess at 6:25 p.m. The meeting reconvened at 6:40 p.m.

Finance Committee member Ulysse Maillet said that with the tough financial constraints, we need to cut any items that we don't need. I support the senior work off program. 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. Selectwoman LaBrie said that article 4 and 5 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 said that we can move any articles to be paid.

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 6:58 p.m.

Respectfully submitted,

Debra Dennis
Recording Secretary

Minutes Approved