

TOWN OF WINCHENDON
FC/BOS/SB JOINT MEETING MINUTES

Monday, March 19, 2018
Town Hall, 2nd Floor Conference Room
109 Front St., Winchendon, MA 01475

Present:

Thomas Kane, Chairman
Christian Orobello, Vice Chairman
Dr. Maureen Ward, Member
James Robichaud, Member
Charles Corts, Member
Doug Delay, Member

Katie Broome, Recording Secretary

List of Documents Presented At Meeting:

- Town Of Winchendon Management Letter
 - Special Revenue Rollforward
-

6:00PM FC/BOS/SB Joint Meeting

Call To Order:

Chairman Kane called the Finance Committee meeting to order for the joint committee meeting at 6:00PM. Chairwoman Anderson then called the Board of Selectmen to order, Chairman Murphy called the School Board to order, and Chairwoman Ward called the Audit Committee to order. The Boards and Committees then stood for the Pledge of Allegiance.

Annual Audit Management Letter:

Chairwoman Ward of the Audit Committee referred to Mr. Roselli, of Roselli, Clark, and Associates, to begin the presentation of the Annual Audit Management Letter for the Town of Winchendon. Mr. Roselli began the presentation by reminding those present of how far the Town of Winchendon has come since the town went through financial deficit in 2015. Mr. Roselli stated that the town's budget is now balanced, the Town has a surplus every year, and that the Town is projected to pay off its deficit by FY 2019, or FY 2020 at the very latest. Mr. Roselli's went on to inform that the Findings and Recommendations portion of the management letter is divided into four departmental portions, for the Town, the schools, the fire department, and the police department.

Town

Mr. Roselli's finding's for the Town is that the issue of compensated absences calculation procedures has been addressed and is no longer an issue. Mr. Roselli praised the Town's effort and responsiveness to fix their issues in a timely manner.

School

Mr. Roselli noted that the school is doing a great job at working with the town on resolving issues. Mr. Roselli had the following recommendations for the school to work on for the upcoming fiscal year:

1. **Grant Reconciliation Process**

Mr. Roselli stated that the school's grant money has not been separated from other funds, and lumped together in the Town's general ledger. He recommended that the school create its own ledger, so it can be compared and contrasted with the Town's ledger. Mr. Roselli also noted that the Town can do a better job of having their

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accountant work together with the school's accountant, and assist with organizing the ledger according to single audit rules, which can be difficult to work around. This would also help Mr. Ikonen with the End of the Year Report. He suggested that Mr. Ikonen meet with the town accountant on a monthly or quarterly basis to make sure both ledgers are comparable. He also stated that grant money from 2015-2017 need to have their account closed out, or sent back to the state. If difficulties persist, Mr. Roselli urges the school to reach out to the Massachusetts Department of Education to help find a solution. Mr. Roselli suggested that the school invest in a Grants Administrator, as the last time the school's grant money was reported correctly, a Grants Administrator had been employed. Chairwoman Ward noted that the money received from the grants would be able to pay for the salary of the Grants Administrator. Chairman Murphy asked Mr. Roselli what percentage of each grant can be taken to be put toward administrative costs. Mr. Roselli replied that 1-3% often, and for some grants, up to 5% can be attributed to administrative costs. If the cost for this administrator is too great for the schools, they could also look into sharing the Grants Administrator with other school systems. Superintendent Haddad noted the school was already conversing with a Grant Administrator that works with Mr. Ikonen, as well as other schools in the area.

2. Ineligible Payroll Costs

Mr. Roselli noted that the school had an issue of Grant Administrators charging employee's payroll to ineligible grants. This issue, however, should be fixed as of this meeting.

3. Timely Filing of Finance Reports

Another issue the school had was filing their finance reports, due October 31st, 2017 were submitted February 12th 2018, and were incorrect upon their filing. This issue has also been resolved upon this meeting.

4. Transactional Process

The school, in previous years, had had an issue with inefficiently using, and noting the use of, its general fund and grant account budgets, causing errors in its financial reporting. While there were a few instances of this procedure occurring this year, after meeting with the Town and Mr. Roselli, this issue should be remedied, and not cause further problems in FY18.

5. Compensated Absences Calculations Procedures

The School Department has recently switched its human resource software to Frontline Absence and Time to manage employee attendance. Mr. Roselli noted that this is a good starting point for the School Department to fix an ongoing issue with converting hourly data to dollar data. The town accountant will be assisting the school accountant with fixing these issues in payroll, and make the process more automated.

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6. Qualifying Plan

The two Town elementary schools do not currently have a plan to comply with Title I requirements. The School Board needs to remedy this.

7. Changes to Single Audit Requirements

The Town, and School Board, will have new single audit requirements that should be in compliance with recognized internal control frameworks such as the Green Book or Coso. Mr. Roselli recommended looking into frameworks like the ones adopted in Weston, which has implemented a framework that is working very well for their Town.

8. End of Year Report

The School Department's End of Year Report had many large errors, including an obvious error in budgeted operating expenditures that were \$3,000,000 more than the amount voted upon at the 2017 Annual Town Meeting. Previous errors that had been found in the End Of Year report were brought forward as amendments, which also needs to happen. Mr. Roselli noted that the creation of the End of Year Report is difficult, and recommended that if these issues persist, that the school outsource for assistance or preparation of the report. The school will be working with the Abrahams group to help fix these problems with their End of Year Report for FY18.

Fire Department

Mr. Roselli praised the Fire and Police Departments for being very receptive to comments and recommendations. Mr. Roselli made two recommendations to the Fire Department. Mr. Roselli's recommendations for the Fire Department are:

1. Financial Activities

Mr. Roselli noted that the account receivables for the Fire Department's revenue are on a positive increase, especially after the Fire Department changed their ambulatory rates.

2. Billing and Collection Process

Mr. Roselli raised the issue of the Fire Department having bills greater than 180 days for ambulatory care that have not been abated or written off. He recommends the Fire Department go in front of the Board of Selectmen and get these old bills written off, as its almost impossible to collect these funds. Mr. Roselli assured those present that it is normal to have these large write offs for ambulatory care. Mr. Roselli went on to suggest that the Town invest in another ambulance, which would provide extra revenue for the town, and that, since private ambulances and nearby towns rates are higher than Winchendon's, the Town could also raise its rates more. Finally, the Fire Department, which had been keeping internal records on Excel, which proved to cause errors between their financial records and the town's, has been given access to MUNIS to help remedy this issue.

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Police Department

Mr. Roselli reiterated that he was impressed with the responsiveness of the fire and police departments. He had the following recommendations for the Police Department:

1. The Police Department's IMC system does not reconcile completely with MUNIS. Mr. Roselli suggests the Details Administrator reconcile activity to MUNIS on a monthly or quarterly basis.
2. The Police Departments had three delinquent accounts that needed to be addressed. One was a bill that had not been signed, and another has been requested. The second was a large delinquent account from the school board for police monitoring of athletic events. This has since been remedied.
3. The Police Department was in deficit at the end of the fiscal year due to increased activity for construction in town. Mr. Roselli suggested that the Town provide the police department with a one-time small seed amount to keep the detail account from going in deficit. This seed account has been authorized by voters at the previous Special Town Meeting. This report should be sent to the Town Accountant, so he can make sure the account is never in deficit.
4. Electronic payments to Police Department Employees are not efficiently communicated between the Town's Treasurer and the Police Department, even though the money has gone through. Mr. Roselli suggests that all communications between the two be done on a timely manner.
5. Delinquent accounts are currently handled in an informal fashion. Mr. Roselli suggests setting a procedure to handle any delinquent account.
6. Instead of paying borrowed police officers from other towns as part-time employees, Mr. Roselli suggests reimbursing the neighboring community for the detail through vendor warrant process. As of this meeting, the town no longer employs out of Town Police Officers on its Payroll.

These comments ended Mr. Roselli's Management Letter for the Town of Winchendon. Chairwoman Ward finished the Joint Meeting by commending Mr. Roselli on his firm, but fair, recommendations for the Town.

Mr. Orobello moved to adjourn the Finance Committee from the Joint Meeting at 6:57PM. Mr. Robichaud seconded the motion.

KANE: Y OROBELLO: Y WARD: Y ROBICHAUD: Y DELAY: Y