

Board of Selectmen Meeting:
Memorial Town Hall
Chairman:

Edmund Jaworski

June 7, 2018 @ 3:00pm
Approved: August 15, 2018

Present: Selectman Cindy Doty, Selectman Edmund Jaworski, Ms. Marlene Michonski, Town Administrator, Mr. Tony Roselli of Roselli, Clark and Associates, Certified Public Accountants, Ms. Lydia Szych, Town Clerk, Ms. Sharon Strzegowski, Assistant Treasurer/Collector, Ms. Louise Slysz, Mr. Derek Geser, Town Accountant, Edwina Palmisano, Town Treasurer/Collector

Selectman Jaworski opened the meeting at 3:00 pm. Members of the Board and town financial team met with Mr. Tony Roselli of Roselli, Clark and Associates, Certified Public Accountants.

Mr. Roselli said the goal was a complete set of balanced books Monday when he arrived. However, the books are not in balance, there are lots of errors and accounting issues and things that don't reconcile. He was expecting better. The audit can't be completed until these things are resolved.

He explained that cash was out of balance and there were no support documents to back things up. He said he had talked with Justin Cole. Mr. Cole didn't reconcile, which will take another month. Mr. Roselli will get a list of where the holes are as now he cannot balance to the town accountant. Selectman Doty said she thought Mr. Cole was going to be close enough that DOR would accept it. Mr. Roselli said DOR won't accept this. Also, Mr. Cole found the amount of cash off to be the same as Mr. Roselli did.

Ms. Michonski, Mr. Cole, and Mr. Roselli had a good conversation on the phone today. Selectman Jaworski said Mr. Cole needs to provide more support to the accounting office. Mr. Roselli said Mr. Geser is in a situation where he is not able to fix these things as he is not qualified. Mr. Cole said he will provide 16 hours/month on training to get Mr. Geser where he needs to be. He said when Mr. Geser started he should have been an assistant accountant as municipal accounting is very different. Mr. Geser said when he was hired the town was 9 months behind. Mr. Roselli said a goal is to provide mentoring to Mr. Geser. Selectman Doty said she has talked to members of the Board and they knew what they were getting. Mr. Cole is to go transaction by transaction through FY18 and by the end of 19 the town would be on schedule. It will take a lot of work but it just needs to get done.

Selectman Jaworski said finances had been an issue ever since he had been on the Board and the Town has to depend on experts like Mr. Roselli and Mr. Cole. Mr. Roselli said Mr. Cole has had a lot of success in other towns. He said towns trying to save money end up spending more. Selectman Doty said we've been dealing with this for so long with no results. Mr. Roselli said Tom Scanlon said he doesn't want this town anymore because his reports went back years with the same problems. Mr. Roselli said the town is at the point where, Mr. Geser's having come this far, if this doesn't work then you need a stronger person or to contract out. Mr. Geser understands the basics so, with Mr. Cole here, take the opportunity to have him provide training.

Mr. Roselli said Vadar is a better software for a small community. He spoke briefly about the former town accountant and former collectors. Ms. Slysz said trying to reconcile tax title took her 50 hours. Mr. Roselli this is by far the worst of his 63 accounts. He said no tailings have been done in 4 or 5 years. There is \$50,000.00 just sitting there. Some capital projects can be repurposed for about \$200,000.00 just sitting there. Ms. Michonski said Mr. Cole has a plan and an agreement with the Board of Selectmen. She said FY19 has funds. Mr. Roselli said usually cash and receivables are the most important, and tax title isn't the 1st priority. He said the town has to keep current operations, provide training and do catch up work. Mr. Roselli said don't worry about the cost, or saving money; you need to fix this so just do it.

Ms. Slysz asked if it make sense to start July 1 with the existing structure. Mr. Cole has had success with a similar town, 'sister town', the 2 towns are on the same level, and he is still working with that town. Mr. Roselli went over the work process his firm follows with detailed conversation, handouts with timelines, and benchmarks in between. There will need to be monthly meetings, and updates involving Mr. Geser. Ms. Michonski mentioned conference call meetings with Mr. Cole. Ms. Strzegowski said he hasn't done anything for the Treasurer/Collector's office; luckily we have 2 retirees. She said we're getting farther along and Mr. Geser is not moving forward even with Mr. Cole's help. Mr. Roselli said you need to have Mr. Cole come in and show you the plan.

Selectman Jaworski asked if the town should have another company coming in. Mr. Roselli suggested he ask Mr. Cole and possibly talk to Scanlon. Ms. Strzegowski said maybe Mr. Cole is spread too thin. He was supposed to take over A/P in April but our Schedule A is still not done. Mr. Roselli said that's why you have to set up a timeline. Ms. Michonski said there was a timeline plan but that's gone. She is still in support of Mr. Cole taking A/P and believes it is still the plan, Mr. Roselli suggested giving it 60 days and then make a decision about whether this is the right firm. Ms. Strzegowski said we voted to give him money. Selectman Doty said she hadn't heard Baystate was supposed to take A/P in April. She said the Board only got a trickle of information because only the chair was in on the Baystate meeting. Mr. Roselli said if you're not comfortable then you have to make decisions.

Ms. Palmisano said we're still deep in the hole and now there's a new system that no one has been trained on. Mr. Roselli said this was a great point; he endorses a new system but thinks maybe the implementation should be delayed. Baystate is pushing Vadar but right now you are trying to close 2 years. Ms. Strzegowski believed it is not a good time to make a switch as conversion will take time. Mr. Roselli spoke briefly about the Vadar system. Mr. Cole is redoing the chart of accounts but in Vadar.

Ms. Strzegowski said we need to start changing. Selectman Jaworski said we need to know what to change. With no Schedule A, no audit, and no free cash there's no need to have a Special Town Meeting. Mr. Roselli said I'm not going to abandon you. He said the town has only been reading his reports but never had a meeting like this. Ms. Slysz asked about not finding documents saying the forensic auditor noted the same thing. He suggested asking Mr. Cole. Ms. Strzegowski said Mr. Cole had never asked her for documents. Ms. Michonski said Mr. Cole asked for payroll but Mr. Geser said he doesn't have that paperwork. Mr. Roselli said your signature says you've examined it and agree with it. Ms. Michonski we need to make that happen as it is a function of the accountant's office. Ms. Strzegowski said her office does the input it into Tyler and the taxes. Mr. Roselli said Mr. Geser is not going to have time to verify payroll. Ms. Slysz said we always used to get it done with a 20 hours collector, and a 17 hour accountant, now we have 40 hours here, and 40 hours there, so why are we so far behind with lots of personnel, and lots of hours?

Ms. Strzegowski noted she has 52 properties in tax title. She said the former collector never sent demands for the FY17 motor vehicles. Ms. Strzegowski took all of FY17 and demanded it. Three hundred demands were sent for water bills. She also did FY13 through 17 demands for real estate. Ms. Strzegowski said she had hoped she could have helped the treasurer but she has so much to catch up on. She said there is easily a million dollars outstanding. Mr. Roselli joked the solution is to give Ms. Strzegowski all the work. She works on weekends and, holidays. Mr. Roselli said he couldn't issue an opinion for FY16 because of balances inconsistencies. Ms. Michonski said the previous collector used to sit in meetings and say the collector's side was very good.

Mr. Roselli looked at Mr. Geser's record of receivables vs the collector's and they were off 100's of thousands of dollars. He said she couldn't read her own reports and Mr. Roselli said there were plugged

numbers in the spreadsheet. Selectman Doty said an example of a spreadsheet, she entered numbers in manually. Mr. Roselli said the Collector/Treasurer's office doesn't need Mr. Cole. Ms. Slysz said we suspect trust fund money hasn't been transferred.

Mr. Cole was given some assurance that Ms. Strzegowski and Ms. Palmisano were told the treasurer/collector had a handle on things. Mr. Roselli said when he's in the meeting you have to hold him down and get information. Ms. Michonski – hold him accountable for a plan. Ms. Strzegowski said we said Mr. Geser needs his help more than we do. Mr. Roselli said this has to stop; and he could not emphasize this enough. He said he could provide a list of problems. Ms. Michonski received email from Mr. Cole, with concerns and issues but did not get a response when she asked him if the audit should be pushed back.

Selectman Jaworski said DOR recommended Baystate. Mr. Roselli agreed with Ms. Slysz in that Baystate will come up with a game plan on how to reconcile cash. He said the \$150,000.00 is a problem because the treasurer resigned during the year, so the perception will loom and remain. Ms. Palmisano said the starting balance was off about \$37,000.00. Mr. Roselli said to make sure everyone's on the same page and focused. Mr. Cole hasn't posted FY18 and 18 needs a transaction by transaction.

Deficits for FY17 were discussed. Ms. Slysz asked for a timeframe to finish 17. Mr. Roselli said it could take forever if you go month by month until you find them. Ms. Slysz said the treasurer's side is in balance with the banks but not with the accountant. Mr. Geser's revenues are posted for 17. Ms. Slysz asked if he reconciled with the Treasurer. Mr. Geser said he did the first 9 months and it all went to unapplied revenue.

Mr. Roselli said it's good news that a Special Town Meeting in January, 2018 took care of several deficiencies including health insurance of \$42,000.00. Ms. Michonski said we took money out of stabilization. Mr. Roselli commented that this is wiping out your stabilization. Mr. Roselli said at this point he feels it makes sense to tell Mr. Cole to make a one-time housecleaning entry to balance but then reconcile going forward.

Ms. Slysz said we need a written plan about what needs to be done to get there. Selectman Doty said we must figure out the Vadar situation with him. Ms. Michonski said there are 13 articles and 11 are funding. Mr. Roselli said he made a list of repurposed articles and there is about \$200,000.00 just sitting there in 20 accounts. Mr. Roselli was thanked for all his advice and input. He said the situation is better than last year.

Selectman Jaworski said he is disappointed but now we have more information. Selectman Doty said she would like to set a tentative date for Special Town Meeting for the fall. Selectman Jaworski said we can't set a date for a couple of months as there is a need to wait and find out if things are getting done. Ms. Michonski noted the Board can rescind their vote regarding a Special Town Meeting on Tuesday. They can possibly choose a date for scheduling purposes. It was pointed out that September 4th is a primary. November 6th is a state election and Ms. Michonski will be on a trip in October.

Selectman Doty moved to adjourn. Selectman Jaworski seconded. The motion carried and the meeting ended at 4:40pm.

Respectfully Submitted,

Ki. J. Eno
Executive Assistant