

Present: Selectman Edmund Jaworski, Selectman Cindy Doty, Selectman Brian Moriarty, Jenni Dawson, Betsy Rider, Sharon Strzegowski, Lydia Szych, Marlene Michonski, Darryl Williams, Louise Slys, Terry Williams, DOR representative, Mr. Derek Geser, Justin Cole, Baystate Municipal Accounting, Tony Roselli, Roselli & Associates via telephone.

Ms. Michonski recapped Mr. Roselli's team fixed most of the identified issues and a draft audit will be filed June 18th. Mr. Cole said free cash and Schedule A will be filed on the 18th also.

Selectman Jaworski called the meeting to order at 12:10p.m., saying this will be a financial discussion.

Mr. Geser said Mr. Roselli asked him to look over the debt and he explained how he redid loans spread back across the ledger. Ms. Slys and Ms. Palmisano worked on the schedule of indebtedness. Mr. Terry Williams said he will check Ms. Palmisano's permission credentials. Mr. Darryl Williams asked about additional problems found and Mr. Terry Williams explained that Mr. Roselli is addressing 2 items on a punch list.

Responding to a question from Darryl Williams, Mr. Terry Williams said assuming the balance sheet, treasurer's cash, statement of indebtedness and other items all tie in then free cash can probably be calculated and a balance sheet checklist can be put together. If Schedule A is an honest submission then Boston could call for the release of state aid but may hold off in case further adjustments are needed. The draft audit is a DOR requirement and Boston said a draft will be acceptable.

Mr. Darryl Williams said DOR did not release any free cash last year. Terry Williams explained that free cash is based on free cash not spent in the prior year, the estimate of local receipts and turn back of budgets and difference in receipts from prior years. Mr. Cole said the balance sheet, Schedule A and income statement drafts are done. As the draft audit progresses some things were amended. Mr. Roselli said the goal is for everything to be submitted by June 18th. He explained these are dynamic documents that are updated several times per day. Mr. Cole said all the problems found so far have been reviewed and adjusted. He and Mr. Geser are to review after the meeting.

Mr. Roselli said the treasurer and collector are moving in the right direction. He said that Mr. Geser has a good base but needs training; he doesn't know how to do a Schedule A. Training for Mr. Geser through Mr. Cole's office is available for 8 – 16 hours/month. Mr. Roselli suggested the Treasurer/Collector's office do a spreadsheet of which tax title, water and sewer balance items they can support. He recommended a one-time adjustment to balance the accountant to the Treasurer/Collector and then reconcile every month. There is also a cash shortage of \$27,000 that will be in the management letter. It was off about \$35,000 the year before.

Mr. Terry Williams said he agrees with the one time housecleaning adjustment. He said when auditors order an entry DOR doesn't dispute it. Mr. Roselli said we know the general ledger is wrong. There is over \$200,000 in stagnant accounts, surplus to be cleaned up and he said let's move forward with a good set of records. He said do not be worried about what it will cost, just get it done. He mentioned that special revenues were completely off.

The bond rating will affect the Town in the long run but cleaning the books will have an impact.

Mr. Cole talked about the pros and cons of moving to the Vadar system at this time. He said a clean chart can be posted correctly the first time. Also, it's impossible to teach Mr. Geser to book entries with the old chart. There was brief discussion about training for the Treasurer/Collector's office. Mr. Cole said if it's determined that it's not feasible, and there's too much going on then we can hold off.

He said payroll needs to be Mr. Geser's job. Responding to a question from Ms. Rider, Mr. Cole described the standardized UNIS system outline provided by the State. Mr. Williams said DOR is trying to standardize. Mr. Cole said FY18 will require a lot of work and be closed out month by month. FY18 and 19 will be done concurrently. He said there are 3 people assigned to Hatfield, one for cash, one for receivables and one to take A/P off Mr. Geser's plate. Selectman Jaworski asked if the Town should train or outsource and Mr. Cole said it would not be cheaper to outsource. Mr. Terry Williams was asked if DOR has an opinion and he said we stay out of management decisions and don't recommend software or contractors. He said however, he would warn towns not to willy-nilly get rid of accountants as the well is dry.

Mr. Darryl Williams asked if Mr. Geser struggles with the upper end stuff why would Baystate take over the A/P. Mr. Cole answered so he can train. Resident, Ed Lesko said when the town hired Mr. Geser it was an investment in the town and we did not get a lot of qualified candidates. Resident, Mike Cahill asked if the chart of accounts is really a problem since it was not mentioned in previous audit reports or management letters. Mr. Roselli answered that the POINT system was always thought to be a problem but in the past Tom Scanlon had come to the rescue, however, this year Scanlon wasn't involved. He said the Town is now ready to grasp that a new system is needed. Mr. Cole said in the fall of 19 we will be submitting as we're supposed to.

Mr. Darryl Williams said at some point the Board will be put into a position where it must decide what to do. Mr. Cole said for a town this size he advocates having a town accountant on site. He said Lexington, for \$150,000 cannot find a town accountant so it is not just a Western MA problem.

Selectman Doty noted the Beacon newsletter had an article about financial municipal employees. Selectman Doty moved to adjourn. Selectman Jaworski seconded. The motion was approved and the meeting ended at 2:00p.m.

Respectfully Submitted,

Ki. J. Eno
Executive Assistant