

Board of Selectmen Meeting
Minutes

Date: January 29, 2014

Members Present: Janet Flinkstrom, Mike McCallum and Steve Ingerson

Time: 7:05 p.m.

2) Motion to approve minutes of June 19, 2013 as recorded. - Tabled

3) Motion to approve minutes of January 15, 2014 as recorded.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

4) Warrant #W29 approve and sign Payroll Warrant in the amount of \$53,256.28 subject to further review.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan
MM Abstains from
Line with Jean Lindquist

5) Warrant #W30B approve and sign Vendor Warrant in the amount of \$158,433.97 subject to further review.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

Selectmen Briefing on Audit Results by Melanson Heath and Company (Town Accountant):

Pat Squillante, Partner with Melanson Heath (Audit Company) introduced herself and gave a brief information statement on the company and its history. Melanson Heath is considered a large Regional CPA firm with five offices. The company has been doing this type of work for over 35 years. She has been doing this type of work with Melanson for over 25 years. The company audits around 90 cities, towns and school districts.

She explained in detail what an audit is about and what it entails and what it does and doesn't do. There are three levels of assurance that CPAs can do. First level is a compilation, the second is a review and the third is the highest level of assurance which is an audit. Audits are what is done in Ashby and has been for several years. Types of audits are different according to the size of the cities or towns. There is a lot of misconception about audits - that 100 per cent of everything is looked at. That kind of audit would cost an astronomical amount of money. Melanson Heath goes above and beyond what are the Governmental Auditing Standards for a Town of Ashby's size. In Ashby, reconciling of cash and general accounts is done and is balanced. A lot of time is spent in the primary revenue departments i.e. Tax office, Treasurer's office, Ambulance, Transfer Station; mostly areas that have cash flow are given the most attention. She said that historically Ashby has had what is considered a clean audit opinion.

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She explained that federal grants are audited and an opinion on whether the distribution was done according to the law. The opinion on the Federal grants compliance and whether we have a clean audit of our financial statements are two different things. She stated Ashby does and continues to have clean audits. She talked about the issues that arose in regards to the 2010 issues and explained the circumstances surrounding it. JF asked her if the problems were the fault of the town and she replied “no” and did explain what had happened to cause the issues. In that case MRPC held on to the CDBG money too long which was something the Town has no control over.

She said what was important to note is that in most cases, Ashby does not have the same issues arising from one year to the next. She does not feel they are even considered “significant issues”. She has several clients that have truly significant issues and the issues carry from one year to the next. She mentioned the findings in the 2010 audit concerning the CDBG grant & the audit found the money was held in a bank account too long because MRPC did not draw the money down due to projects not being completed. MM stated that it was not the Town drawing the money down it was MRPC. Pat said this is true and they tested for the same thing two years later and they did not find that issue in the 2012 CDBG audit. Sometimes it is also a timing issue, when bills get paid, and maybe the work could not be done because of weather so vendors not paid. A procurement issue was cited and she explained what had happened in this case. The Company does test procurement each year in their audits, even outside of federal grants and found the Town is procuring correctly. She cannot say this about all of her Towns.

SI asked what she could tell them about the Landfill closure violation. Her response was that it was not a violation but had to be noted on the report. SI’s understanding is that the money was taken illegally. He then wanted to table the motion for signing the engagement letter and said he has asked that it be postponed due to the fact he is still doing research on the audits. MM explained what the town did to raise the money to cap the landfill so that it would not have to be an override and cost the taxpayers money. They sold space at the landfill for construction debris and let a cell tower be built on the property. The tower revenue more than covers the annual monitoring fee of \$7,000. SI explained his understanding of what was to happen to the money and that he believes the money was used to purchase land illegally on South Rd. MM explained this was not true. SI stated that JF and MM headed the Land Trust at the time it was purchased. MM said this is also not true. The land was purchased by the Town at a Town Meeting and is owned by the Town not the Land Trust. And he was not on the Land Trust Board at that time. Melanson Heath may not have been the auditors for the town at the time.

Lillian Whitney spoke stating she was Treasurer at the time of this transaction and quoted that she did what the law stated she had to do at the time. Said she put one million dollars in an account and the money had to stay in the account to cover the landfill.

SI stated that reading back on old annual reports from that time he has found several problems and again said he had asked the BOS to table the engagement letter item. JF doesn’t think that there is any reason not to sign on this letter. MM states he wants to sign tonight and then SI can “have a year to get is info.” SI states he didn’t know until last Thursday that the audit firm was coming tonight. JF stated that was not true. She told him they postponed the item at the last meeting and it was to be put on the 29th agenda to sign the engagement letter. He knew this was

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going to be done and they gave him two weeks to do his research.

Pat also stated the Town is in very good shape and is doing what it is suppose to do as far as collecting levy money and leaving a proper cash trail. She spoke on Financial Statements and what information is in there and what their part in this is. A change in 2013 is wording in the Engagement Letter was made by the Governing National Agency for Accounting Standards and is prescribed wording. Clarity Standards came out and the intent was to clarify each firm's responsibility that there is no 100 percent guarantee from any auditing outfit. Discussion ended at 8:00 p.m.

JF gave SI 2 more weeks to come up with his information and the letter will be signed at the next Selectmen's meeting. SI will give Mr. Hanson a list on Monday of the documents he is requesting. MM asked what he is looking for. JF offered to help SI by gathering the items for him. He states that if he cannot get his info from Bob Hanson he will "yell like a son of a gun" at the next meeting.

Motion to approve and have Chairman's Signature on FY14 Audit Engagement Letter. -
Postponed until next BOS meeting.

Request for Selectmen's approval to deficit spend winter operations (Highway Superintendent):

SI read a policy that he thought covered this. MM explained how this works as far as deficit spending was concerned. MM made the motion and SI said there was no value on this request so how do they know what they are approving? MM explained how this works.

6) Motion to approve deficit spending for winter operations.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

Request for PFSO appointments:

Acting Chief Alden explained the reason for the need for new dispatchers at this time and the policies and procedures that were used in the hiring process.

7) Motion for Selectmen's appointment of Birdena Lyons as Police Fire Signal Operator with a one year probationary period.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

8) Motion for Selectmen's appointment of Heather Rhodes as Police Fire Signal Operator with a one year probationary period.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

9) Motion for Selectmen's appointment of Amanda Pender as Police Fire Signal Operator with a one year probationary period.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

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10) Motion for Selectmen's Appointment of the following to the 250th Start-up Celebration Committee:

John Bilotti, Kathleen Juliano, Catherine Biliouris, Martha Svedberg and Lillian Whitney.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

LW stated she had another call from a resident wanting to be on the committee and would like it put on the agenda for the next meeting. JF advised her to call Jennifer Collins.

11) Motion to call a Special Town Meeting for March 15, 2014 and open warrant.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

Any other business not reasonably anticipated by the Chairman:

JF had the TV crew show a copy of the Ashby Food Pantry informational flyer.

Assistant to the Board of Selectmen's Report.

Read by SI and can be viewed on town's website.

Public Comments (if any):

Lillian Whitney announced that law has changed on fire permits. Can only burn to April 30th no longer burn until May 1st.

MM announced the potential of gas pipe lines going through town by a company out of Tennessee. He wished to let people know they may be getting contacted by this company on this project because the company needs permission from landowners to go on their land and survey.

12) Motion to adjourn at 8:24 p.m.

Motion: Mike McCallum Seconded: Steve Ingerson Vote: Unan

Signed by: _____

Dates Minutes Approved by Board of Selectmen: _____