

MEETING MINUTES-WEST NEWBURY  
FINANCE COMMITTEE

Date & Time: Monday July 29th , 2019 6pm

Location : 1910 Building 1st Floor Hearing Room

Attendees: Gary L. Roberts Jr., Chairman, Forbes Durey, Angus Jennings, Brad Beau-doin, Nathan Kelly, Jim Sperelakis

AGENDA

1. Call to Order
2. Public Comment, Public comment is limited to 2 minutes per resident for items on the agenda.

No public comment. Later during the meeting members of the public did request copies of the e-mail communication detailed in item 7 of the agenda. Copies were made for all public members who were present and requested it. Further copies can be obtained from the Town Clerks office upon request or by request from FinCom directly.

3. Late File Items

Durey makes a motion to discuss Brown Spring Farm funding as discussed at town meeting. vote 5-0 to add this item to the agenda.

Discussion for Carr Post added to agenda with vote 5-0.

4. Approval of minutes from 6/17/19.

Vote 5-0 approve.

5. Review of the Audit
  - a. Discuss management letter and issue with employee healthcare

The management letter noted that the Town manager should ideally be the chief procurement officer. Given the constraints on Jennings time, he feels that the current system of procurement is working(by Town Council) but is working towards the required 9 days of training to assume this role in the future. The report also recommended the Town's accountant attend 3 days of training in procurement as well. Both will attend first day of training for procurement this October.

There was a note in the management letter about OPEB materials not being submitted on-time and this can be attributed to the transition in town government structure from Fi-

nance Director with Andy Gould to the Town Manager position with Angus Jennings. He does not feel that this will be a issue going forward. The transition between the two positions was very abrupt and took some time to get caught up with audit process.

There was an error with employee healthcare overwithholding that was attributed to a 4 month gap between the exit of the previous finance director and the Town manager where 8 union employee contracts were modified by clauses that state that if non-union employees are offered better benefit terms, that the union employees are also given the more favorable terms. This was the case and there was \$12,000 of overwithholding from these employees until the issue was identified. The overwithheld funds were refunded to the employees. At the same time, one individual, Kemper, had outstanding health insurance obligations for a similar amount (~\$10,000) and thus it was not identified until the overwithholding issue had been corrected and the payroll withholding account did not reconcile. Roberts asked if any interest had been added to the original obligation, which has now been paid in full. Jennings noted that while some of the details were covered in executive session, this issue had been discussed and at this time the Town will not pursue interest or penalties.

There was a note in the management letter about the Town's escrow accounts not matching with the actual bank account balance. This difference is ~\$4,000 of a \$70,000 account. Jennings is working on this issue and hopes to have it resolved by the end of the year.

The final section of the management letter noted how one department(police) inappropriately carried forward an end-of-year balance with a vendor by paying the vendor for goods and services not yet rendered in exchange for a credit to be used at a future date. The totals for this credit were roughly \$4,000 and has subsequently been refunded to the Town. Additionally, this issue has been reviewed with Dept. heads to ensure it does not happen in the future.

b. Highlight any remaining areas of concern

Jennings noted that his overlap with the previous financial director was very brief, which was related to many of the issues identified in the management letter which occurred during the transition of the new Town Manager. As this executive position has many responsibilities including all those of the old Finance Director, it took many months for Jennings to get caught up to the internal financial affairs of the Town. Beaudoin asked if there it would be helpful to plan for more overlap during major Town personnel transitions.

6. Begin working to establish a budget timeline with the Town Manager

Durey asked for access to have the preliminary budget earlier. Durey also proposed some changes to rationals for town meeting. With regard to the articles- there are many that are not financially grounded and Durey questions if these rationals should be written by the

committee or board that is most qualified to explain these issues. For example, he questioned whether the Zoning Board would be more qualified to write a rational for an article relating to solar zone bylaw changes. Secondly, Durey recalls that a recommendation was made on the Town Meeting floor to skip the rational readings which seemed to help with the pacing of the meeting. Reading the rationals was seen as redundant as all the town meeting attendees are given a physical copy of the rationals and can read through it at their leisure. Beaudoin felt that reading the rationals did have a benefit, but felt that reading the rationals verbatim should be avoided in favor of a more brief summary.

#### 6a. Brown Spring Farm

Durey notes that he was under the impression that the money for the Brown Spring Farm from Greenbelt would be available if the article passed, which it did. He now notes that Greenbelt is actively working to raise the funds for the Brown Spring Farm and wanted to know- If the funds are not raised will the sale still go through? Will delay of acquiring the targeted funds delay the sale of the property? There were no definitive answers to these questions however Jennings did note that the requisite paperwork for the sale and conservation restriction documentation seems to be going forward as expected. Jennings notes that like most real-estate transactions, there are many complex steps that must be navigated, particularly with the additional requirements of conservation restrictions which require state authorization.

#### 6b. Carr Post

Kelly asks if there are any concrete proposed functions to justify restoration of the Carr Post building. Jennings notes that the Town is planning for office and general assembly uses for the space, however this will be limited by parking for the space. The Carr Post Committee is meeting to look further into these questions.

#### 7. Communications

7/13/19 Chairman Roberts received an e-mail regarding the payroll withholding issue addressed in the Town audit. This is in response to a newspaper article written on the issue. Roberts noted that the employee in question(Kemper) at one point owed as much as \$27,000. The employee in question worked with the Town to establish a re-payment schedule and has repaid the debt in full. The details of the issue have been reported publicly elsewhere and weren't summarized. Roberts asked if anyone on the committee had any comment. There were no direct comments from the committee however Kelly noted that since this issue was identified, the Town has started monthly reconciliations of this account to catch these issues before become hard to manage. Jennings notes that they will try to set a cutoff of date range of somewhere around 60 days for employees who fail to make their payroll contributions. FinCom was first made aware of the tissue at the 6/17/19 meeting when the Town Audit was first reviewed with FinCom. This was the first time ranking member Beaudoin notes that the committee formally reviewed the Town's

audit report. Kelly commented that this should be added to the yearly budget cycle review by FinCom with general agreement from the Committee.

## 8. Adjournment