

**MINUTES
SELECTMEN'S MEETING
JANUARY 16, 2007**

Chairman Zagorski called the meeting to order at 6:00pm. Members present were Stanley Zagorski, Dianna Provencher, Thomas Brennan, and Richard Antanavica. Town Administrator Robert Reed was also present. Selectman Belanger was absent due to illness.

Auditing Consultant – Financial Report

Thomas Scanlon Jr., principal in Thomas Scanlon Associates, was present to report on recent participation into audit of School Cafeteria (SC) and Student Activities Accounts (SAA). He stated that after review of records, he is satisfied and does not recommend the Town spend further monies on a special audit at this time. He noted the following:

- May 2006 cash register system indicated \$300+/- variance at the High School, which is not unusual in his experience. The system will be monitored more closely by the Cafeteria Manager/supervisors
- Lunch ticket system has been reviewed by Treasurer and Cafeteria Manager, and should be all set to move forward with the changes that have been made to the process

Ms. Provencher stated that she visited the cafeteria, where cash, checks, debit cards, and refund transactions occur in the midst of the lunch crowd; she couldn't help but think that discrepancies will happen from time to time.

Mr. Scanlon reported, however, that he saw little control with regard to vending machine sales; he has spoken with Cafeteria Manager Ann Pitzen and directed her to put in place some type of reconciliation system for these products. Mr. Brennan questioned why there wasn't a system in place already; he was disturbed to hear no invoices nor inventory controls are used. Mr. Scanlon noted cash is used for these vending machines, sales are commission based and run through SAA, and inventory is locked in storage. He repeated that the vending machine system needs to have controls in place.

Mr. Brennan recollected that the new cash registers were bought about three years ago with town meeting appropriation, asking why these automated systems didn't maintain accurate records. Mr. Scanlon explained that the equipment did report sales activity on the 122 lunches served per day.

Janet Pierce, Town Treasurer, stated that she is satisfied now with the daily reconciliation reports she is receiving from SC Manager Pitzen. Also, there have been no further errors with bank deposits since cash management system was reviewed.

Mr. Zagorski took that as good news, but noted that none of this is new, some issues have gone on for years; however, corrections have been made, communications have improved, and improvements to the cash management system have been implemented. He noted that Ms. Pitzen has been very cooperative, as has her staff. He is sorry that the cash management discrepancies have had to come to this, but now we must watch and see how the improved systems work. He thanked Ann, and was confident in her and her staff that this will be corrected. They were all helpful during this process.

Auditor Tom Scanlon Jr. noted that the Student Activity Account law was passed in 1997, allowing these types of accounts to be utilized. These accounts are audited each year with sample reconciliations done. However, the Treasurer noticed a few areas of concern, resulting in his firm conducting a more finite review. The results show a difference between potential incomes vs. actual income, some irreconcilable differences, with cash payments used from these funds instead of the mandatory voucher system. The School needs to control the income side; he has met with the Superintendent and others within administration. He believes they understand the importance of this now, and have delivered this message to staff advisors that administer these SAA. Spreadsheets will be developed with the assistance of Treasurer and Accountant. As far as the shortfalls that have been uncovered; it would be hard to go back now and find the omissions. He recommended they start anew under cash management procedures; then, if issues continue to come forward, additional steps could be taken to address the situation.

Ms. Pierce stated that over \$500 is unaccountable for within class dues and 2006 prom funds. Mr. Scanlon agreed, but again stated that it would be difficult to back track and find out what had occurred at this point. He has communicated how to track accounts in the future, and that past practices will not be acceptable anymore.

Mr. Zagorski reported that the SAA had been decentralized, but will now fall under the direction of the Business Manager. Appropriate forms will be used in the future. They have admitted some controls are lacking in regards to cash management, but there are no indications that funds are missing, and all involved have had the best interest of the students in mind. He asked the Treasurer, the Superintendent, and the School Committee Chair if they were comfortable with the outcome of this recent audit investigation.

Mr. Dubrulle felt that an agreement to move forward with newly adopted cash management plans and review March 1st is a good approach, and asked that his be held to.

With regard to Cafeteria Accounts, Ms. Pierce stated that she is encouraged by recent correspondence in this regard, and will be more confident that procedures will be followed when the School Committee officially adopts the cash management procedures as directed. There cannot, she reiterated, be any use of cash for expenditures as has been done in the past.

MOTION: Mr. Brennan moved to adopt such language into the BOS policies and procedures.
Ms. Provencher seconded. UNANIMOUS

Ms. Pierce stated, however, that she is not comfortable with Student Activity Accounts. Almost daily she is uncovering more problems. Mr. Scanlon felt the Town must move forward at this point; the Business Manager will be monitoring these accounts from here on.

Mr. Brennan disagreed. He was not willing to accept discrepancies in any accounts. He asked the last time the Auditor had spoken with School or Town representatives in this regard. Mr. Scanlon stated two weeks ago. Mr. Brennan asked if cash management policies and forms are in place yet, or why aren't they. Ms. Pierce stated that she did not know, he would have to ask Superintendent Dubrulle. She reported that cash is deposited directly into the bank from School Dept.

Michael Dubrulle, Superintendent of Schools, stated that all SAA will be monitored by Business Manager Rosa Todd, then banked as directed upon her approval. They have adopted a ten-point management plan that was put in place weeks ago. As of last Friday, those involved have begun using the spreadsheet system and procedures have been reviewed with staff. He would not recommend the Town spend up to \$50,000 to unearth mistakes that were made; they have owned up to the fact that they were lacking in this area. He believes regulations in place now will correct the problems of the past. He asked that the accounts be reviewed again in two months and give them a chance to succeed.

Ms. Pierce noted that limits on checking accounts have been lowered. Mr. Scanlon noted that checking accounts are required use per DOR regulations; the use of cash has been the problem.

Mr. Brennan stated that the Board went into this to correct procedures at the School administration level, which is our job.

Chris Culross, Advisory Board, asked if there should be a segregation of duties with regard to SAA. Mr. Scanlon stated that student advisors are in charge of the accounts. Mr. Culross asked if there is a training issue here. Ms. Pierce stated that she conducted training on cash management practices with School personnel in 2005 and then again in 2006. She felt that new policies adopted by the School Administration should help, along with extensive training.

Chairman Zagorski noted that we are running late in opening a public hearing.

Public Hearing – CDBG initiative/Bailey Boyd Associates

MOTION: Mr. Antanavica moved to open public hearing.

Ms. Provencher seconded. UNANIMOUS

Mr. Reed noted that two years ago the Town applied for a housing rehabilitation grant, which was not funded, he felt due to the change in DHCD guidelines. We are now trying for a new grant, a joint application with the Town of Spencer. He commended the work of Town Planner Michelle Buck, who is very competent and done an excellent job gathering writing the Town's biography. Mr. Reed noted that a target area must be designated, and we have chosen Rochdale because of the economic and rehabilitation need and the recent roadway improvements that will bolster the Town's points. Mr. Reed noted that Leicester is the lead community in the grant application.

Alice Boyd, Bailey Boyd Associates, was present to promote grant application. She has handled many DHCD grants in the seventeen years she has worked with the program. This so-called small cities funding is for rehabilitation of housing units for improvements to code regulation violations. The program has been very helpful to older and younger homeowners and tenants alike, and very successful in keeping low-income people in their homes. Leicester will apply jointly with Spencer, increasing chances due to the low/moderate income ratio eligibility in Spencer. She explained that residents could obtain 15year loan funding to make necessary repairs, a loan and any interest would be forgiven if owner remains in place at end of period. Worse case scenario; the owner would have to pay interest, the principle is forgiven.

Mr. Brennan noted that the Town had acquired such a grant some years ago. He applauded Ms. Buck on her report. He was in full support this grant application.

Mr. Antanavica asked if loan has to be paid back yearly. Ms. Boyd explained that should the property be sold, than that portion of the remaining loan would have to be repaid. If there happened to be a death, or property was handed down to family member, the situation remains the same and there would be no penalty.

Mr. Zagorski felt this would be a great program for our seniors, where there is a great deal of need for home improvements with no affordability; also, the seniors prefer to stay in their homes and this type of programs could allow them to do so. He asked how we could get the word out. Mr. Reed noted that we have already reached out by placing flyers in neighboring businesses. Mr. Zagorski suggested we utilize the Town's website and media coverage as well.

Chairman Zagorski asked what pool of money we might expect. Ms. Boyd reported approximately \$18 million for the combined area, with an estimated \$1million here in Leicester, with limit of \$30,000 per household upon approval of repairs.

Ms. LeChasseur asked if pre-application was restricted to Rochdale residents. Ms. Boyd stated no; any Leicester property owner or tenant may apply. Funds will be disbursed to target area first, then other areas if funds are available.

MOTION: Mr. Brennan moved to close public hearing.
Ms. Provencher seconded. UNANIMOUS

School Issues (continued)

Chris Culross asked Mr. Scanlon if spreadsheets he has implemented have been used before. Mr. Scanlon stated yes. Mr. Zagorski noted that sub-group has advocated for use of standardized forms. Mr. Culross asked if a third party should be checking on this situation. Mr. Scanlon noted that School accounts are audited internally on yearly basis, using an outside audit every three years. Mr. Culross asked if internal controls are enough. Mr. Scanlon felt the system has been put in place and reinforced, now we must monitor it. He did recommend better communications from School officials, which has been lacking; the Treasurer's requests are not always complied with. Mr. Culross suggested we periodically test the system over the next twelve months, and report back here again next year.

Ms. Pierce noted that findings are noted in yearly Management Report issued by the Auditing firm. Mr. Brennan asked when we will be receiving 2006 audit. Mr. Scanlon stated within the next couple weeks.

Mr. Zagorski, noting that the Board had previously voted to call for a special audit at our last meeting, suggested we reconsider that vote. He recommended we abide by the grace period that has been agreed upon, that being March 1st, to allow for controls recently put in place to be tested. He recommended that we shelf the directive to put a Request for Proposal together for special audit services. He felt we had moved forward in a positive manner and we should continue to monitor the situation for now.

MOTION: Mr. Antanavica moved to rescind vote for special audit, and review School cash management practices within six months time. Ms. Provencher seconded.

Mr. Brennan asked the Board to postpone this action, as Selectmen Belanger is absent this evening. He felt we might be moving too quickly here, and wanted Mr. Belanger to be heard in this matter first. Mr. Reed agreed, as issues continue to be raised by Treasurer.

MOTION and SECOND WITHDRAWN

Chairman Zagorski thanked all who contributed, this has been a tough situation to deal with and a challenge to those involved. He felt that the best solution at this point is to move forward.

The Board recessed at 7:20pm, to attend public meeting with Planning Board on Route 9 traffic study. The Board reconvened at 8:25pm.

Hillcrest Country Club – sub-committee updates

Mr. Brennan reported on the following:

- Considering renovations to the buildings by the Town with costs allocated to lessee, or replacement of buildings altogether
- Feasibility and cost related to moving two holes on west side of Pleasant Street to main course
- Review and visit of some thirty municipal golf course facilities and their inner workings
- Feasibility of lease or town-owned cell tower on property
- Land swap possibility

Mr. Brennan and Ms. Provencher reported on regular meeting schedule on 2nd and 4th Mondays at 6:00pm. They hope to have research finalized with a report to the Board in April. Mr. Reed noted that an RFP for use of clubhouse and course is most urgent.

Annual Town Meeting – Open Warrant

MOTION: Mr. Brennan moved to open Annual and Special Town Meeting Warrants. Ms. Provencher seconded. UNANIMOUS

Mr. Brennan asked for list of proposals sent to Bylaw Committee for consideration.

Bid Award – Sale of Town-owned Land

MOTION: Mr. Brennan moved to award bid for sale of property on Whittemore Street to the Leicester Rod & Gun Club Inc. in the amount of \$20,000; stipulations of sale include recording of transaction, deed, title and related costs being the responsibility of the buyer, as well as CPI payment to Town on yearly basis. Mr. Antanavica seconded. UNANIMOUS

Correspondence

1. Information from TA regarding Chapter 30B and appointment of procurement officer. The Board asked if this official would be in charge of procurement for School Department as well. TA stated yes, however, the Officer could delegate authority. While he has been given authority by the BOS to award contracts less than \$25,000, Mr. Reed is recommending the Board make such an appointment.

MOTION: Mr. Brennan moved to appoint Robert Reed as Procurement Officer for the Town of Leicester. Ms. Provencher seconded.

Mr. Zagorski asked if this should be in the form of a bylaw. Mr. Reed stated no, it is regulated by MGL. Mr. Zagorski suggested term run with Mr. Reed contract. MOTION and SECOND amended as such. The Board asked that copies of these regulations be distributed to members.

VOTE: UNANIMOUS

2. Memo from Town Planner requesting appointment of Mike Wilson as Parks & Recreation Committee representative on Open Space & Recreation Committee.

MOTION: Ms. Provencher moved to appoint Mike Wilson to OSPC, an ad-hoc term. Mr. Brennan seconded. UNANIMOUS

3. Memo from COA Director requesting appointment of Marilyn Monahan to Council on Aging.

MOTION: Ms. Provencher moved to appoint Marilyn Monahan to Council on Aging, term to expire June 30, 2008. Mr. Brennan seconded. UNANIMOUS

4. Notice from Leicester Housing Authority regarding resignation of Charles Hagglund effective 12/31/06. The Board agreed that no action will be taken at this time to fill vacancy, as annual town election will be held on first Monday in April.

MOTION: Mr. Brennan moved to accept resignation with regret, and letter of thanks for time served. Ms. Provencher seconded. UNANIMOUS

5. Memo from Moose Hill Water Commission inviting interested parties to ongoing development meetings. Mr. Zagorski reported on information obtained from vendors at annual MMA convention he attended recently; he will pass information on to group. Mr. Brennan noted that he, Ms. Provencher and TA Reed will continue to work with this group. FILE
6. Notification from Town Planner regarding project applications; Becker College proposal will be discussed February 6th. The Board appreciated these notices that have been forthcoming. FILE
7. Memo from Town Planner regarding approval by Mass Housing Partnership of Chapter 40B Technical Assistant Grant in the amount of \$5000 for 1027 Stafford St project. The Board was concerned that our one-time assistance would be lost if we accept this \$5000 grant as opposed to the \$10,000 training funds we are eligible for. Mr. Zagorski asked that TA find out how this works, what would be most beneficial for the Town.

MOTION: Mr. Brennan moved to authorize signature by Chairman for receipt of funding, subject to clarification on training funds. Mr. Antanavica seconded. UNANIMOUS

Board Reports/Other Business

Mr. Brennan noted an article in Worcester T&G recognizing and asked that congratulations letter be sent to Robert Fitzpatrick, Leicester Primary School physical education teacher, on his being named Massachusetts Physical Education Teacher of the Year. He goes to Baltimore next month as only one of six contestants vying for the title of National Physical Education Teacher of the Year on the elementary level.

MOTION: Mr. Brennan moved that a letter of congratulations from the Town be presented to Mr. Fitzpatrick. Mr. Antanavica seconded. UNANIMOUS

Mr. Brennan noted another article recognizing the efforts of veteran and Leicester resident Tom Lilley on his persistence and final approval of legislation that speaks to expanded access for disabled war veterans to a special license plate and attendant financial benefits, which has received national attention.

MOTION: Mr. Brennan moved to send letter of congratulations and appreciation to Tom Lilley on behalf of Town of Leicester. Ms. Provencher seconded. UNANIMOUS

Mr. Brennan asked that the Board direct a letter of appreciation to School Committee member and current Chairperson Betty Parissi, who has decided not to run for re-election.

MOTION: Mr. Brennan moved that a letter of appreciation be sent to Betty Parissi, to be presented when the Board meets with the School Committee on January 22nd. Ms. Provencher seconded. UNANIMOUS

Ms. Provencher reported on attendance at annual MMA conference on January 12th, noting the importance of this type of seminar for Selectmen, asking that funding be made available for all to attend. Mr. Zagorski agreed; he attended as well, his first experience and a good one. He met with several fellow selectmen, noting that issues we deal with are not unique to Leicester. Items discussed at Governor Patrick's speech included Chapter 70 aid being increased, consideration of legalized gambling in Mass., and the billion dollar deficit he has been left with. Mr. Zagorski reported that our cry to obtain local aid figures early on is heard from all communities. Mr. Brennan asked the outcome of a letter sent in this regard to the legislatures, in which the Board asked that local aid certainly not be cut as was done last year. Mr. Reed will follow up on this item.

Town Administrator's Report

- Mr. Reed reported on his hope that Local Aid will hold the line this year.
- Mr. Reed reported on RFP for health insurance coverage being put out. Discussion on joining State plan for municipalities, or regional groups to lower costs.
- Mr. Reed reported on recent meetings and discussion with vendors at MMA convention with regard to upgrading Town's phone system, improvements to technology to include voice mail and menu system to direct callers to appropriate departments, which will cut down on our office being the 411 center, so to speak.
- Mr. Reed presented integrated contract with Sergeants Unit for signature, and thanked Police Chief and Sergeant Doray for assisting with this important and cumbersome task.
- Mr. Reed reported on option for sale of 1037 Main Street coming down to an RFP process that will best meet the Town's needs. Advertising requirements must be met according to State law. Mr. Brennan noted that Selectman Belanger had asked that this issue be addressed this evening.

MOTION: Mr. Brennan moved to approve RFP process for sale of 1037 Main Street property, the former police station facility. Ms. Provencher seconded. UNANIMOUS

MOTION: Mr. Brennan moved to adjourn.
Mr. Antanavica seconded. UNANIMOUS

The meeting was adjourned at 9:12pm.

Respectfully submitted,

Susan LeChasseur,
Administrative Assistant