

Town of Ashby, Massachusetts

**Finance Committee Meeting**

**December 10, 2013**

Present: Kevin Stetson (chair), Terrence Myles, Dick Doucette, Liryc Donald, Kathy Panagiotes

Guests:

Bob Hanson, Mike McCallum

Start: 7:35pm

Old Business:

No old business reviewed.

New Business:

Mr. McCallum brought an e-mail from the state auditor to share with FinCom. A recent newspaper article expressed inaccuracies in reporting information related to audits of Ashby finances. Mr. McCallum offered this:

- 1. Audits are of finance statements
- 2. There is a management letter from the auditors with suggestions of potential ways for the “what the town could do better.”
- 3. Audits are of the federal grants

Mr. McCallum continued to say: Newspaper discusses #2 in implying Ashby needs new standards. Ashby is using the same standards as recommended by auditor; the same as Ashby has always done.

According to Mr. McCallum, there was a question posed by the auditor in relation to the Ice Storm 2008. Contractor’s were hired to help with clean up, and the Federal funds to pay them should have been dispersed as fast as possible. The delay over 2 months was because the request to the town needed to be on a warrant. The deadline for the warrant was missed as the contractors did not finish the work; a prudent business decision was to wait until the job was completed prior to paying. The Montachusett Regional Planning Commission was assisting the Town of Ashby.

As Mr. McCallum stated, all of this was listed in the management letter as needs improvement. Ashby improved.

- Needed 3 quotes for the Ice Storm. FEMA gave the estimate. Ashby did get 3 estimates.
- Improvements to Transfer Station: need to keep log and give receipts; Ashby does this now.

Town Audit covers all departments; auditor choses what to review. According to Mr. Hanson, it may have been erroneously stated by former town officials that the BOS choses for the auditor. This is not a correct statement.

- Mr. Hanson noted that long ago BOS may have suggested what the auditors should review, but rulings had been added and the standards have changed. The audit costs the town \$16, 500. A grant review is more costly.
- The last audit letter, the “Management Letter”, is posted on the Ashby web site.

Discussion: Bob Hanson

- Will the FinCom approve to change eligibility for RFT’s from 20% to 30% threshold of each department’s current budget?

APPROVED

- Legal fees for town have already climbed to \$12,000.00. Mr. Hanson will place a budget line increase for FY15; but he will be presenting a RFT at next meeting.
- Preliminary FY15 budgets are in process
- Hopeful to have Highway Superintendent position be salaried.
- Tax fees go to Tax Collector to balance out salary

Discussion: FinCom

- Real estate tax rate up 19.10
  - Town must expect higher taxes if new high school is approved by vote
- Department inventory
  - As in business world, each department needs to be accountable to their equipment and supplies.
  - FinCom suggests this be done annually with oversight from TA.

Meeting Adjourned 9:08

Next Meeting January 14, 2014

Submitted,

*Kathleen Panagiotis, Secretary*