



Minutes of the Meeting of the Board of Selectmen

Date: December 16, 2013
Time: 6:00 p.m.
Place: McCourt Social Hall Memorial Town Hall, Spencer, MA
Present: Chair Woodbury, Vice Chair Berthiaume, Clerk Stevens, Members Fritze and Pepe and Administrator Gaudette.

At 6:04 p.m. Chairman Woodbury called the meeting to order and led the Pledge of Allegiance.

Discussion: Annual Audit (FY2013) Report from Thomas Scanlon, Jr., Scanlon & Associates

Mr. Scanlon opened by stating that the Town is managed very well in terms of financial management and has in place proper internal controls, including the regular reconciliation of cash. For the year ending June 30, 2013 (FY2013) the Town had certified Free Cash in the amount of \$875,000. The majority came from Local Receipts and State Aid (\$300,000) over and above what was budgeted and also unexpended funds or "turn-backs" (\$423,000). The Town has been prudent in not using these funds for recurring expenses. These funds should be used for one time purchases such as capital projects. He is aware that due to the School budget issues that the Town was forced to use \$400,000 this year to balance the operating budget. Mr. Berthiaume asked if this would affect next year's audit and Mr. Scanlon responded that it wouldn't that he understands that this is not regular practice and that the situation warranted the use.

Mr. Scanlon also advised the Board that they were at a good debt ratio, say 3% of the budget and that they were above the recommended 10% in stabilization reserves at just over \$1,000,000 in General Stabilization. He also advised that the Town needs to again look at ways to fund OPEB Liabilities. The Town has done a good job at controlling current health insurance costs for employees, but the retiree liability is growing every year. Most towns are in the situation where they can't fund it but it can't just be ignored either. He suggested possibly taking the reimbursements from other towns for their retiree health insurance premiums and transferring those monies into the Trust Fund as one way to begin to build up the fund. He said this issue is a matter of long term planning not necessarily funding completely in the short term.

He then told the Board that a Management letter was produced but that the Town does not have any "Significant Deficiency" or "Material Weakness." He noted that there were two comments, one regarding the need to close-out a Water Dept capital loan which added funds to their Retained Earnings and a second regarding information on GASB 65 and 68, GASB 68 being the need to study the actual liability for pensions which may be different than the annual assessment that comes from Worcester County Regional Retirement.

Discussion: Review FY2015 Budget Development Materials

Mr. Gaudette discussed the budget calendar, a memo that was forwarded to staff on the FY2015 Budget process, and the long range capital plan. He advised that he will be discussing revenues with the Board at their next meeting on January 13, 2014.

Other:

Mr. Berthiaume wished to thank all the folks that contributed in making the Christmas Parade another success. First prize went to some DPHS kids that worked with teacher Mark James, Vice Principal David Bachand, and Principal O'Brien to do a Land of Misfit Toys float. The Spencer Police Association presented a \$300 check to the winners.

He thanked the following: Spencer Police Association, Spencer Highway Dept., Spencer Fire Dept., Representative Peter Durant and his wife Lisa, Tony Pepe, Keith Morrison, Bill and Donna Farmer, Mary E. Madden, Nick and Brent Berthiaume, Jake Cutler from Barnstorm Cycle, and the parade viewers; also, Wendy Berthiaume for her tireless effort in putting on the event. Mr. Pepe also wished to thank Wendy and Mr. Berthiaume for their efforts.

Mr. Stevens informed the Board that the Spencer Abbey had just received approval for its Trappist Brew. They would like to do an Open House next spring or summer. Mr. Stevens will update the Board on the event when more news is available.

The meeting adjourned at 7:07 pm. All were in favor.

Respectfully submitted,

Adam D. Gaudette
Town Administrator

Referenced Materials:

FY13 Financial Statements and Management letter
FY15 Budget Materials