

TOWN OF ADAMS, MASSACHUSETTS
ADAMS TOWN HALL BUILDING, 1st FLOOR, ADAMS, MA 01220
BOARD OF SELECTMEN EXECUTIVE SESSION MEETING MINUTES 05/24/2018

On the above date an *Executive Session Meeting* was held. Present were Chairman Duval, Members Hoyt, Blanchard, Nowak and Bush, as well as Interim Town Administrator Cesan, Town Counsel St. John III, and Treasurer/Collector Rice.

CALL TO ORDER: Chairman Duval called the meeting to order at 6:00 p.m.

EXECUTIVE SESSION: TREASURER/COLLECTOR BOND REQUIREMENTS

#7. To comply with, or act under the authority of, any general or special law or federal grant-in-aid requirements.

Motion made by Member Blanchard to enter into Executive Session for Reason #7, second by Member Hoyt. Roll Call Vote: Chairman Duval, Vice Chairman Nowak, Member Blanchard, Member Hoyt, and Member Bush.

Chairman Duval gave a brief history of the information regarding the bond which is required by the state. He noted that Treasurer/Collector Rice is not currently bonded. He read the bond requirements as noted by the Massachusetts General Law and explained that due to the information received an Emergency Board of Selectmen Meeting was called. It was explained that the statute makes it mandatory that a bond must be in place to fulfill the duties, and that it is not a discretionary act. He advised that the law states that the Selectmen shall declare the office vacant and the vacancy shall be filled, according to the procedure outlined in Section 40. It was further explained that the office must be declared vacated and a Temporary Treasurer/Collector may be hired to fill the position. It was noted that there is nothing that says the current Treasurer/Collector cannot resume the position if bonded at a later date. It was noted this was a renewal situation, and work is being done to secure a bond but it may be at more than the normal cost. A number of factors could be the reason for not receiving the bond. The process was started two months before the date it was due and the Town received no sense that it would be rejected. It is believed to be due to an underwriting misreading the audit. The Town was told their intention was to reinstate the bond back to May 4, 2018 but the response was not received. The wording given on the rejection letter was read aloud at the request of Board Members. It was explained that the Board would have to appoint someone who is bonded as soon as possible, but if Ms. Rice receives the bonding the Board can reappoint her as Treasurer/Collector. It was noted that the audit was requested by the insurance company, and MIIA also receives a copy of the audit. It was pointed out it is not clear whether this is mandatory but it makes sense to receive it to make an assessment of the risk. It was explained that the Financial Assistant in the Treasurer's Office, is bonded separately for a different amount and would make a logical short term choice. Education and knowledge of the duties of the Treasurer/Collector position were discussed, and it was noted that the Financial Assistant routinely collects money and makes deposits, and could work with the Interim Town Administrator and Town Accountant to set parameters so no tasks would be taken on beyond the position's expertise. It was noted that the Financial Assistant's bond expires in July and the Town doesn't want to put that bond in jeopardy for being in a position above her knowledge. It was pointed out that elected officials have to receive training and have time to be bonded after being elected. It was explained that there is no oversight for the Treasurer/Collector or other Elected Official's offices and this is the third situation to occur in recent years. A concern was expressed about the liability faced by the Town due to not having oversight over the elected positions. A recommendation was made to revise or revisit the Town

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Charter soon to put in controls and to bring it forward to Town Meeting to reduce risk. The position of Finance Director overseeing this position was briefly weighed for reducing deficiencies and issues brought out in the audit. It was pointed out that the Town Accountant assisted with support and helped correct the deficiencies. It was noted that oversight by the Town Administrator or other person could have caught it and that bonding is not a structure issue. The history of the audit finding was discussed as being due to the need for correction of issues that had been ignored for years prior to this elected official. Board Members noted that they must make decisions according to state law with the information provided. The current Treasurer/Collector was noted as having no problems with the way she has been operating, and the staff have done a great job trying to make things right. The reasons for Show Cause Hearings were explained, but it was noted that there are no complaints about the individual; only the need to comply with state law. A request was made for a Show Cause Hearing with the denying insurance company, but this was not something that has been heard of. Board Members asked for a copy of the audit and will be provided with the latest audit done. The Financial Assistant will have up to ten days to accept the temporary position and may be in the position for up to sixty days. Ms. Rice was asked for input and requested a suspension while the situation is resolved. It is hoped to be resolved by next week. Town Counsel advised he would assist with helping to resolve the issue tomorrow.

At 6:36 p.m. Motion made by Member Blanchard to exit the Executive Session, second by Member Hoyt. Roll Call Vote: Chairman Duval, Vice Chairman Nowak, Member Blanchard, Member Hoyt, and Member Bush.

Respectfully Submitted by Deborah J. Dunlap,
Recording Secretary



Board Chair