

**FISCAL YEAR 14 SUMMARY**  
**TOWNSEND WATER DEPARTMENT - ACCOUNTS RECEIVABLE**  
**01/31/14**

UNCOLLECTED FROM JUNE 30, 2013

85,753.55

**CHARGED 07/01/13- 01/31/14**

USER CHARGES

234,454.50

548,331.25

782,785.75

SERVICE CHARGES

4,787.42

13,121.38

17,908.80

CONNECTION CHARGES

4,000.00

8,000.00

12,000.00

LATE CHARGES

1,282.68

10,211.94

11,494.62

BACKFLOW

0.00

3,100.00

3,100.00

SUBTOTAL

**244,524.60**

TOTAL CHARGES

827,289.17

**913,042.72**

**RECEIVED 07/01/13- 01/31/14**

**1/31/2014**

USER CHARGES

165,475.10

535,957.55

701,432.65

SERVICE CHARGES

3,988.95

13,507.33

17,496.28

CONNECTION CHARGES

4,000.00

8,000.00

12,000.00

LATE CHARGES

1,274.16

10,670.13

11,944.29

BACKFLOW

50.00

3,100.00

3,150.00

SUBTOTAL

**174,788.21**

TOTAL RECEIPTS

746,023.22

SENT TO LIEN

3,025.54

LIENS COLLECTED

0.00

ABATEMENTS

448.57

ADJUSTMENTS

-462.37

UNCOLLECTED

**164,007.76**

**913,042.72**

**OUTSTANDING:**

USER CHARGES

\$ 157,680.44

157,680.44

SERVICE CHARGES

2,405.07

CONNECTION CHARGES

0.00

LATE CHARGES

3,922.25

BACKFLOW

0.00

TOTAL OUTSTANDING

\$ 164,007.76

16. The parties agree to amend Article 34 Longevity by increasing the amounts by One Hundred Dollars (\$100) per tier and by adding a longevity payment of One Thousand Five Hundred Dollars (\$1,500) at the completion of twenty five (25) years of service.

17. The parties agree to amend Article 35 by striking “.04” and “.02” wherever it appears and inserting “.00” in its place.

18. The parties agree to amend Article 36 to state that the contract duration is July 1, 2013 through June 30, 2016.

19. The parties agree to make various non-substantive changes to reflect the incorporation of the Water Technicians and Office Administrator into the bargaining unit.

For the Town

Joe Lizio  
Colin McNeil

For the Union

Ronald H. Sylva  
James J. Blanchard  
Ryck F. Toppen  
Jim Smith  
Mark D. [Signature]

**Subject:** Question  
**From:** Carolyn Smart <csmart@townsend.ma.us>  
**Date:** 2/6/2014 9:41 AM  
**To:** tacontact@dor.state.ma.us  
**CC:** Andrea Wood <andrea\_wood1@verizon.net>

Hi,

My name is Carolyn Smart; I am a member of the Townsend Finance Committee.

A few years ago I received an opinion from you regarding the use of credits cards (see below). Can you please tell me if that information is still consistent with your opinion today.

Thank you for your assistance.

Carolyn Smart

From: DOR DLS Technical Assistance Section <tacontact@dor.state.ma.us>  
Sender: "Markarian, Joseph" <markarianj@dor.state.ma.us>  
To: "'Carolyn Smart'" <csmart@townsend.ma.us>  
Subject: RE: Questions  
Date: Fri, 20 Oct 2006 10:48:29 -0400  
X-Mailer: Internet Mail Service (5.5.2655.55)

Dear Ms. Smart:

Thank you for your questions.

On the matter of credit card use, it is a practice generally discouraged by the Department of Revenue due to conflicts between municipal finance laws and the credit card process. For instance, credit cards are a form of short term borrowing which is not specifically authorized by the general laws for local officials. Nor is there any statute which permits municipal officials to enter into a contract of this nature. In the absence of financial controls, if credit card liabilities are incurred in excess of appropriation, the town may not be obligated to make payment. For greater insight into these and other concerns, I have attached at letter opinion on credit card use issued by the DLS Bureau of Municipal Finance law.

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Version: 2014.0.4259 / Virus Database: 3684/7068 - Release Date: 02/06/14

>>these and other concerns, I have attached at letter opinion on credit card use issued by the DLS Bureau of Municipal Finance law.

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payment, including compliance with necessary bidding laws, an available appropriation and receipt of the goods or services prior to payment, use of the card may be acceptable. As stated in the recent emails, we hope to have a guideline in the future to address these concerns.

I hope this proves to be of some assistance.

Gary A. Blau, Tax Counsel  
Bureau of Municipal Finance Law  
PO Box 9569  
Boston, MA 02114-9569  
617-626-2400  
[blau@dor.state.ma.us](mailto:blau@dor.state.ma.us)

Thanks,  
Rick Kingsley

-----Original Message-----

From: Carolyn Smart [<mailto:csmart@townsend.ma.us>]  
Sent: Thursday, February 06, 2014 9:42 AM  
To: DOR DLS Technical Assistance Section  
Cc: Andrea Wood  
Subject: Question

Hi,

My name is Carolyn Smart; I am a member of the Townsend Finance Committee.

A few years ago I received an opinion from you regarding the use of credits cards (see below). Can you please tell me if that information is still consistent with your opinion today.

Thank you for your assistance.

Carolyn Smart

>>From: DOR DLS Technical Assistance Section <[tacontact@dor.state.ma.us](mailto:tacontact@dor.state.ma.us)>

>>Sender: "Markarian, Joseph" <[markarianj@dor.state.ma.us](mailto:markarianj@dor.state.ma.us)>

>>To: "'Carolyn Smart'" <[csmart@townsend.ma.us](mailto:csmart@townsend.ma.us)>

>>Subject: RE: Questions

>>Date: Fri, 20 Oct 2006 10:48:29 -0400

>>X-Mailer: Internet Mail Service (5.5.2655.55)

>>

>>

>>

>>Dear Ms. Smart:

>>

>> Thank you for your questions.

>>

>> On the matter of credit card use, it is a practice generally  
>>discouraged by the Department of Revenue due to conflicts between  
>>municipal finance laws and the credit card process. For instance,  
>>credit cards are a form of short term borrowing which is not  
>>specifically authorized by the general laws for local officials. Nor  
>>is there any statute which permits municipal officials to enter into a

>>contract of this nature. In the absence of financial controls, if  
>>credit card liabilities are incurred in excess of appropriation, the  
>>town may not be obligated to make payment. For greater insight into



**Subject:** Fwd: RE: Question

**From:** Carolyn Smart <csmart@townsend.ma.us>

**Date:** 2/6/2014 11:13 AM

**To:** Andrea Wood <andrea\_wood1@verizon.net>

From: DOR DLS Technical Assistance Section <tacontact@dor.state.ma.us>  
To: "'Carolyn Smart'" <csmart@townsend.ma.us>  
Sender: "Kingsley, Frederick E." <kingsleyf@dor.state.ma.us>  
Date: Thu, 6 Feb 2014 11:03:48 -0500  
Subject: RE: Question  
Thread-Topic: Question  
Thread-Index: Ac8jSaCQYv0U34F1Sv+ozA7dRSzTvAAceptQ  
Accept-Language: en-US  
X-MS-Has-Attach:  
X-MS-TNEF-Correlator:  
acceptlanguage: en-US  
X-Scanned-By: MIMEDefang 2.64 on 192.168.254.89  
X-MIME-Autoconverted: from quoted-printable to 8bit by mail.townsend.ma.us id  
s16GF4QD050088

Dear Ms. Smart,

While we still have some legal reservations about the possibility of incurring liabilities in excess of appropriation and the pre-payment of municipal expenses, the use of credit cards has become more prevalent in both municipal and state government. I have attached a recent legal opinion that reflects this view. To the extent possible, I'd suggest that controls be put into place (e.g., maximum purchase threshold, approval by accounting officer that appropriation is sufficient and/or sign off by the town administrator) and guidelines established that mitigate the risk of these municipal finance law violations.

Recent legal opinion:

I attach the latest email response one of the attorneys issued on this matter, which includes a copy of two other recent emails on the issue, as well as a link to the state comptroller's policy with respect to the use of state issued procurement cards. See [http://www.mass.gov/Aosc/docs/policies\\_procedures/accounts\\_payable/po\\_ap\\_ctr\\_pcard.pdf](http://www.mass.gov/Aosc/docs/policies_procedures/accounts_payable/po_ap_ctr_pcard.pdf). While we have problems reconciling the use of credit cards with several municipal finance laws, particularly MGL c. 44, §31, prohibiting any town department from incurring expenses in excess of appropriation, and MGL c. 41, §56, prohibiting prepayment for goods or services, we have not recently included MGL c. 44, §2 as an issue. Certainly, if the town contracts for a credit card with the intention of purchasing capital items and paying for them over a number of years, that statute would be an issue. However, almost every town purchase involves incurrence of debt, since the town must receive the items or services prior to payment and therefor incurs a legal obligation to pay. This is not illegal under the general laws if the town has an available appropriation to cover the cost of the item or service in its fiscal year operating budget or in a special purpose appropriation. To the extent purchases are made with the card in excess of an available appropriation, arguably MGL c. 44, §31 may be used as a defense to any action to collect.

Given that the state has managed to incorporate the use of credit cards into a statutory scheme similar to the provisions in the municipal finance laws, we think cards may be used judiciously to allow for acquisition of property for which no other method of payment may be made, or as an alternative to requiring an employee to make the purchases on a personal credit card and seek reimbursement from the city. In addition, in some cases purchasing with a credit card will provide a significant discount, and as long as all other prerequisites are met prior to

Greetings,

My name is Carolyn Smart, I am currently the Selectmen's Executive Secretary for the Town of Townsend. I hoping you can help me with the below questions.

1. Our Fire and Ambulance departments have not legally merged, there is a process for a merger outlined in our Town Charter. Currently they are sepearate departments and our Fire Chief is serving as an interim Ambulance Director. My question regards a fuel credit card the departments applied for. The Citgo card is issued to Townsend Fire-Ems (this is not a legal entity) and both departments Fire & Ambulance are using the card and paying for it out of separate budgets. The Town went through a procurement process with the Town of Pepperell and Ashby and currently have contracts with fuel vendors. Is this legal?

2. The Ambulance department has purchased on several occasions T-Shirts, there was money in the budget for protective clothing for the Ambulance personnel ie: jumpsuits. In the past the Ambulance Association has purchased T-Shirts but now the Ambulance Budget is being used to pay for them. I noticed in MGL Chapter 40 Sections 6J, 4F, and 6B they outline what may be appropriated used for clothing. It is important to note the Ambulance Department nor the Fire Department are union. Is it legal to expend funds on T-Shirts with symbols of Townsend Fire-Ems (again not a legal entity) when these laws have not been accepted?

3. Our Recreation department is expending funds for advertising themselves through a Pop Warner fundraiser. In reviewing MGL Chapter 40 Section 6A and understanding we have not accepted this section to the best of my knowledge - would this be a legal expenditure?

Thank you for you time and consideration of these questions.  
Carolyn Smart

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Version: 2014.0.4259 / Virus Database: 3684/7068 - Release Date: 02/06/14



**Subject:** Fwd: RE: Questions  
**From:** Carolyn Smart <csmart@townsend.ma.us>  
**Date:** 2/6/2014 9:37 AM  
**To:** Andrea Wood <andrea\_wood1@verizon.net>

Date: Thu, 26 Dec 2013 11:06:55 -0500  
To: Andrea Wood  
From: Carolyn Smart <csmart@townsend.ma.us>  
Subject: Fwd: RE: Questions

From: DOR DLS Technical Assistance Section <tacontact@dor.state.ma.us>  
Sender: "Markarian, Joseph" <markarianj@dor.state.ma.us>  
To: "'Carolyn Smart'" <csmart@townsend.ma.us>  
Subject: RE: Questions  
Date: Fri, 20 Oct 2006 10:48:29 -0400  
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In regard to your questions on the purchase of T-shirts by the Fire and EMS departments and advertising by the recreation department, I would comment as follows. Each expenditure would seem to fall within a practical definition of what satisfies a public purpose. It would also seem appropriate that each would be purchased from a departmental expense line item. At issue is whether the town, in approving the appropriations for the departments in question, contemplated the purchase of T-shirts and of advertising, respectively. If this was the case, or was a reasonable expectation, then the purchases would seem acceptable.

I hope this information is of use.

Joe Markarian, Supervisor  
DLS Technical Assistance Section

<<Credit Cards 98-130.doc>>

-----Original Message-----

From: Carolyn Smart [mailto:csmart@townsend.ma.us]  
Sent: Wednesday, October 18, 2006 9:54 AM  
To: DOR DLS Technical Assistance Section  
Subject: Questions



**TOWNSEND WATER DEPARTMENT**  
540 Main Street West Townsend, Massachusetts 01474

*Niles Busler, Chairman*  
Paul L. Rafuse,  
Water Superintendent

*Francis McNamara, Vice-Chairman*

*Andrea Wood, Clerk*  
(978) 597-2212  
Fax (978) 597-5561

**WATER COMMISSIONERS MEETING AGENDA**  
**FEBRUARY 10, 2014 - 5:30P.M.**  
Water Department 540 Main Street, Meeting Room

**I. PRELIMINARIES:**

- 1.1 Call the meeting to order.
- 1.2 Roll call.
- 1.3 Chairman's additions or deletions.
- 1.4 Review/Approve meeting minutes.
- 1.5 Review and Sign Bills Payable Warrants

**II. MEETING BUSINESS:**

- 2.1 Discuss/Review/Vote request by Superintendent to revisit previous order by Commissioner Wood to eliminate Lowes account/card
- 2.2 Approve Adjustment for Account #2410 in the amount of \$10.60 late charge, RE: Billing Error
- 2.3 Approve adjustment for account#60247 in the amount of \$200.00, 178.53 user and 21.47 L/C returned for NSF
- 2.4 Updates/Reports
  - 2.4.1 Commissioners Updates/Reports
  - 2.4.2 Water Superintendent Updates/Reports
  - 2.4.3 Office Updates/Report
  - 2.4.4 Sign Schedule of Bills Receivable Report for January 2014.
  - 2.4.5 Review January 2014 Summary Report.

**III. ADJOURNMENT:**



**TOWN OF TOWNSEND  
BOARD OF WATER COMMISSIONERS  
APPLICATION TO ABATE OR ADJUST CHARGES**

Name: Mark Malcolmson Account # 2110

Address: 11 Balsam Drive

Phone # 978-660-7952 Email Address \_\_\_\_\_

Billing date 7/2

AMOUNT: \$16.00 ABATEMENT ☒ ADJUSTMENT ☐ (check one)

REQUESTED BY: CUSTOMER ☐ OFFICE ☒ OTHER ☐ - if other please explain below:

Reasons: (please attached supporting documentation if applicable)

\$16.00 credit to be applied

Estimated bill high 16.00 user

meter change-out

APPROVED ☒ DENIED ☐ (check one)

DATE: 2/24/2014

TOWNSEND BOARD OF WATER COMMISSIONERS

*Please Add to  
Agenda*

*1.3*

*[Signature]*

*[Signature]*

*[Signature]*

explained, particular attention was paid to the section on card limitations. It was explained that the amount was for the total that could be charged on the cards for a year. The amount was set at \$6,000.00. Mr. Rafuse was asked how many Credit Cards the Water Department had, he replied Home Depot (which may be expired), Staples, Lowes and Tractor Supply. The Policy will be signed at the next meeting. (Policy attached)

2.2 Approve Adjustment for Account #2410 in the amount of \$10.60 late charge, RE: Billing Error – Mr. McNamara moved to approve the adjustment to Account # 2410 61 Maple Drive, seconded by Mrs. Wood, the vote was unanimous in favor of the motion. (See Attached)

2.3 Approve adjustment for account #60247 in the amount of \$200.00, 178.53 user and 21.47 L/C returned for NSF – Mr. McNamara moved to adjust account #60247 by \$200.00, seconded by Mrs. Wood, the vote was unanimous in favor of the motion. (See Attached)

#### 2.4 Updates/Reports

2.4.1 Commissioners Updates/Reports -1. Highland St. Tank testing, Mr. Rafuse reported that the recent test (the second in the series) was fine. 2. Mrs. Boudreau is looking into the up loading/billing problem. (See Attached Emails)

2.4.2 Water Superintendent Updates/Reports - None

2.4.3 Office Updates/Report - None

2.4.4 Sign Schedule of Bills Receivable Report for January 2014 – Signed but not discussed

2.4.5 Review January 2014 Summary Report – Reviewed but not discussed

III. **ADJOURNMENT** – Mr. Busler moved to adjourn at 6:12 P.M., seconded by Mr.

McNamara, the vote was unanimous in favor of the motion.



**TOWNSEND WATER DEPARTMENT**  
540 Main Street West Townsend, Massachusetts 01474

*NOTED 3/12  
Noted 3/12/14*

Niles Busler, Chairman  
Paul L. Rafuse,  
Water Superintendent

Francis McNamara, Vice-Chairman

Andrea Wood, Clerk  
(978) 597-2212  
Fax (978) 597-5561

**WATER COMMISSIONERS MEETING MINUTES**

FEBRUARY 10, 2014 - 5:30P.M. Water Department 540 Main Street, Meeting Room

**I. PRELIMINARIES:**

- 1.1 Call the meeting to order - The meeting was called to order at 5:35 P.M. by Mr. Busler in the Water Department meeting room at 540 Main Street, West Townsend.
- 1.2 Roll call vote showed 3 members: Mr. McNamara, Mr. Busler and Mrs. Wood were present. Guests: Superintendent Rafuse, Mrs. Boudreau, Mr. MacEachern and Mr. Blanchard.
- 1.3 There were no Chairman's additions or deletions.
- 1.4 There were no minutes to review or approve.
- 1.5 Review and Sign Bills Payable Warrants - Mr. Busler moved to sign the bills payable warrant out of session, seconded by Mrs. Wood, the vote was unanimous in favor of the motion.

**II. MEETING BUSINESS:**

- 2.1 Discuss/Review/Vote request by Superintendent to revisit previous order by Commissioner Wood to eliminate Lowes account/card - Mr. Rafuse spoke to the Accountant, the Inspector General's Office and other people and they had no problem with the use of Credit Cards. Mrs. Wood said that she wished he had spoken to her because she could have saved him a lot of time. First of all it was a recommendation from DOR (she passed out information to the other Commissioners). In thinking it over some time has passed since this recommendation was given so I spent most of the week researching the issue and reading related information. What it comes down to is that DOR still has reservations, but they also realize that more and more communities are using credit cards, they recommend that if credit cards are to be used that a Policy be put into place to avoid areas of concern. A Draft Policy was presented and