



## READING PUBLIC SCHOOLS

Administration Offices

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Associate Superintendent

**TO:** Reading School Committee  
**FROM:** Dr. Harry K. Harutunian  
**DATE:** 21 August 1996  
**TOPIC:** Response to Peat Marwick Management Letter

Please find attached the letter from Peter Hechenbleikner to the Board of Selectmen in reference to the audit of the Town and School Finances for FY 1995. Particular attention should be given to Items #4, #5, and #6.

Under Item #6, I would like to point out to the Committee that this is in reference to issues that were in the School Department prior to my arrival as Superintendent on August 1, 1995.

If you have any questions, please feel free to contact me.

dfw



**Town of Reading**  
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**INFORMATION**  
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(617) 942-9043

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MEMORANDUM

TO: Board of Selectmen  
FROM: Peter I. Hechenbleikner *PH*  
DATE: July 12, 1996  
RE: Response to Peat Marwick Management Letter

Following up on our previous conversation with the Finance Director, the following are our final comments with regard to the Management Letter.

1. Check Authorization - We do not agree that two signatures are required on large checks for the following reasons:
  - a. The majority of large payments are wired and appear on the warrant as no check items. Banks have PIN numbers and codes required for wiring which are security against fraudulent wires.
  - b. Checks are signed by a signature plate, so the control over and access to the signature plate is more important than the number of signatures on the checks. We will limit access to the signature plate by establishing a secure locked location accessible only to two staff members.
2. Blank checks in the signature plate - Because there are only two clerical personnel in the Treasurer's Division, the segregation of duties as recommended is not practical. The Town will limit access to the signature plate as noted above. In the worst case, the Town has adequate insurance coverage for any kind of misuse.
3. Bank Reconciliation Deposits - The employee who reconciles bank statements and makes bank deposits is the financial analyst. The issue would be whether she also prepared deposits and prepared the Treasurer's receipt reports to the Accountant. She does not in both cases. Clerks in each department submit 9's and 10's in deposits to the Collector's office where cash is counted and deposit slips made up. The Administrative Assistant in the Treasurer's office prepares the Treasurers receipt. The possibility of fraud occurring when one employee both deposit money and reconciles bank statements is therefore mitigated and further segregation of duties is not necessary.

All Town departments have been directed to handle deposits in the following manner.

- a. Blue zippered cases labeled with each departments name and distributed by the Treasurers Office are to be used for receipts.
  - b. Receipts are to be submitted to the Collectors office at least weekly. Exceptions: cash in the excess of \$100 must be turned in daily, checks totally more than \$1,000 must be turned in daily.
  - c. Forms 9 & 10 titled "Schedule of Departmental Receipts" must be included in the blue case. These forms will be forwarded to the Treasurers office and Accounting office respectively after deposits have been accounted and verified.
  - d. The Treasurer's office Administrative Assistant will match bank deposit slips with Forms 9. After matching the slips the verification of the deposit (tear slip from Form 9) will be signed by the Administrative Assistant in the Treasurers office and returned to the department within two days. It will be returned in a departmental blue case.
  - e. The Administrative Assistant prepares the Treasurers receipt and submits them to the Accountant who prepares a status of accounts report. Each department receives this report and can match deposits to revolving funds for appropriations.
  - f. The Accounting office cash figures must match the Treasures in monthly reconciliation's and is reported to the Department of Revenue quarterly.
4. School Building Maintenance Department Purchase Orders - The School Building Maintenance Department will use purchase orders whenever goods or services are procured, with exception of small amounts of hardware which are purchased locally. Even at the hardware store, items over \$10 require a purchase order.
  5. School Building Maintenance Department Competitive Bidding - The School Building Maintenance Department has adopted the use of the Town form for quotes under \$1,000 and will conform completely with the Town's procurement manual and Chapter 30B regarding bidding.
  6. School Building Maintenance Department Budget Responsibility and Authority - The Superintendent of Schools has assured the School Building Maintenance Department that building maintenance monies will be used only for the purpose of maintaining the facilities. In emergency when the funds need to be transferred elsewhere, the School Building Maintenance Supervisor will be informed in writing by the Superintendent or his designee.



cc: FinCom                                      School Committee  
Superintendent of Schools              Audit Committee

# DRAFT MINUTES NOT APPROVED BY SCHOOL COMMITTEE

REGULAR SESSION MINUTES

3

SEPTEMBER 30, 1996

## OLD BUSINESS

### CHANGE ORDER - PARKER MIDDLE SCHOOL TILE FLOOR UPGRADE

Dr. Harutunian informed the School Committee of the \$17,976 change order request for ceramic tile.

Mr. Radville noted that colored concrete would tend to wear as opposed to ceramic tile which would be a lot easier to maintain.


Ms. D'Antona moved on the recommendation of the Superintendent for Change Order revised RFP3 as outlined on memorandum dated September 18, 1996 for \$17,976 for ceramic tile. Mr. Spadafora seconded the motion. Mr. Radville explained the finish to the colored concrete would be more difficult to keep clean than the proposed ceramic tile that would be resistant to growth of molds and fungi and is generally more sanitary than concrete. The vote was unanimous.

## PERSONNEL

Dr. Harutunian noted that a School Committee member had asked Susan Cavicchi for the School Committee to reconsider the vote taken relevant to the addition of the educational assistant at Reading Memorial High School.

Ms. D'Antona moved to reconsider the vote taken regarding an Educational Assistant at the September 16, 1996 meeting. Mr. Twomey seconded the motion. The vote was 4 in favor and Mr. Cummings and Mr. Spadafora voting against the motion.

Dr. Harutunian noted the request is for a 24.5 hour-a-week Educational Assistant to support the secretary and Assistant Principal Quinn's office.

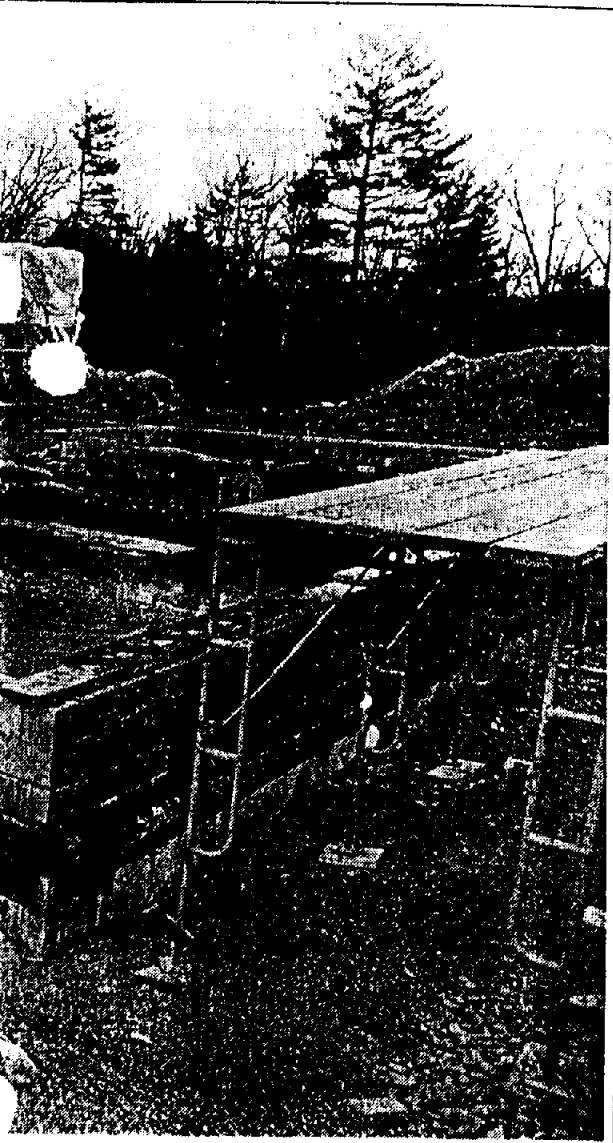
 Mr. Twomey moved on the Superintendent's recommendation to move \$7,000 from the building maintenance account to the educational assistant account. Mr. Stohlman seconded the motion. Mr. Twomey noted that RMHS new Principal Orlando has taken on new challenges and he feels that it is important to have this position. In response to a question raised by Mr. Cummings regarding tardies and absenteeism, Dr. Harutunian advised that RMHS now has closed campus, the Assistant Principals' offices have been moved and staff has been reassigned. He noted that last year there were over 14,000 tardies. Mr. Cummings reminded the School Committee that we are dangerously close on fuel monies. Dr. Harutunian noted that we have gone out to bid on fuel oil and we will be paying \$10.50 less a barrel than last year. He stated he feels that we are going to be okay. Mr. Spadafora added that a lot of the tardies were because of the discontinued flex block time. Ms. D'Antona asked about this being a one year proposal. Dr. Harutunian stated he

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Construction crews have continued. At left is part of the new raised (Don Young photo)

## Money transfer for land survey approved

By OWEN MACDONALD

READING - The School Committee approved 5-0 to transfer up to \$18,500 for the architectural firm of Earl R. Flansburgh and Associates to conduct a geotechnical survey and a topographical survey at the proposed Dividence Road school site.

The figure is down from an estimated \$21,500 sought by Superintendent of Schools Dr. Harry Harutunian in a recent memo because the architect has indicated a previously requested peer review is not absolutely necessary at this time.

In Harutunian's presentation, it was noted that Town Counsel Ted Cohen had indicated that this can not be paid for out of

the money approved by Town Meeting because the Special Election on January 27th has frozen those funds pending an outcome. Cohen did note that the School Committee could transfer that money out of their existing maintenance budget for the purpose of conducting the required surveys. That money will be two thirds reimbursable when the town applies with the state for funding.

The geotech survey would reveal the contour and the content of the land at the site and would cost roughly \$3,500, while the topographical survey will clarify the existing property boundaries, identify and flag wetlands, and any other necessary aspects of the project at a

Continued to Page 2

## Selectmen hear FY'00 budget presentation

By PAUL FEELY

requests at a future meeting.

# Money...

Continued from Page 1

cost of less than \$15,000.

ERF and A Project Manager Sidney Bowen had indicated in a memo to Harutunian that it would be risky to wait until after the project secured approval on January 27 because designs would have to be based on inadequate information, and may have to be revisited at a later date.

Bower attended last night's meeting to further clarify the matter, indicating that the project can be done without the

information, but it didn't really make sense to do that. Redesign would cost a significant amount of money, and even if the Project fails to pass on January 27th, the two surveys will still have viable information about the site. "These are simple things that have a lasting value," said Bowen.

Russ Graham, Chairman of the School Building Committee, was also in attendance last evening to support the transfer. "These questions are still going

to need to be answered, regardless of the outcome of the election," said Graham.

School Committee members also weighed in to make sure that all of the details will be kept track of. Pete Dahl clarified that the money will still be reimbursable even if the project is delayed for several years. Tom Stohlman also made sure to note that the money won't disappear. "I know it's a small amount of money, but I want it to be kept track of," said Stohlman.

# Selectmen...

Continued from Page 1

One big ticket item in this year's budget is an increase of \$64,000 for rubbish collection, after Town Meeting voted to support funding rubbish pickup at condominiums in town. The budget also reflects about \$10,000 worth of start-up costs involving the new police station, with Hechenbleikner stating that these types of items are associated with moving into any new building.

Hechenbleikner reported to the Selectmen that debt was up 34 percent over the previous fiscal year, due to several projects (Coolidge, elementary schools, high school, and the new police station) that the town is involved in. He also reported that employee benefits are up seven percent, which is 'on track' with the rest of the nation, according to a recent

newspaper article that he read.

The Selectmen then viewed a section-by-section presentation on the budget, which contained the following highlights:

- Accounting Department - up 11.78 percent over FY'99 at \$102,157;
- Community Development - up 3.8 percent, at \$236,099;

- Finance Department - up 3.76 percent, at \$852,796;
- Human Services - up 14.7 percent, at \$443,258;
- Library - up 4.87 percent, at \$758,551.

All numbers discussed at the meeting are preliminary figures, and will likely change before the budget is finalized.

# Review...

Continued from Page 1

a Reading family of a Lahey Clinic cancer patient who died after being misdiagnosed;

•26.2 percent of voters turned out in the state primary;

•New plans to create a community access station in town are discussed;

### October

•Youth Risk Behavior Survey results are discussed;

•Historical Commission give go ahead to raze Auburn Street water tower;

•Selectmen reject Sprint's application to place a cellular antenna on a water tower;

### November

•Town reaches agreement with MediaOne;

•Drive to keep the Old South Church's clock and bell ticking and ringing is organized by Reading Lions;

### December

•Special Town Meeting approves plan to place a new school at Dividence Road;

•Petition drive places school issue on ballot at Special Election in January;

•Sexual assault occurs at Hawkes Field House;

•Reading's MCAS test results are released, are better than state averages;

•Corporex is chosen as developer to negotiate with for land-fill site.

# Chronicles

Continued from Page 1

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Marc Guyott

# REWOOD

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