

~~Unapproved~~ **Approved**  
**Candia Selectmen's Public Meeting Minutes**  
**August 24, 2009**

**Attendance:** Chairman Fred Kelley, Vice-Chairman Rick Lazott, Selectman Joe Duarte, Selectman Carleton Robie, Selectman Richard Snow, and Administrative Assistant Andria Hansen.

**7:00 p.m.** Chairman Kelley called the Public Meeting to order and immediately followed with the Pledge of Allegiance.

**Plodzik and Sanderson exit conference regarding 2008 audit.** Sheryl Pratt from Plodzik and Sanderson was present. She presented the Board with the 2008 Annual Financial Report and noted this was just the preliminary draft. There are two pieces of information still pending. One is the legal letter from the Town Attorney and once Plodzik and Sanderson receives that letter they will send the Town the representation letter. This letter will state that the Town provided them with everything they asked for. Once this is done Plodzik and Sanderson can release the final draft. Mrs. Pratt proceeded to review the two letters (management and numbers). **Management:** She reviewed the management letter first (page 30 – see attached). Mrs. Pratt noted the first two findings are very common findings you will see in most Towns. She suggested the Town have a policy on employee evaluations. Some other suggested policies were a personnel policy, anti-fraud policy, computer use policy, etc. Mrs. Pratt stated these are some recommended policies that the Board should consider adopting. Another item they found was financial statement preparation. She explained that the new auditing standards are saying in 3 – 5 years the auditors will no longer be able to come in and both audit the books and produce the reports for the Town. Mrs. Pratt referred to the financial report and explained the Town will be responsible for presenting this information to the auditor (pages 2 – 29). She recommended they have someone on staff that could eventually prepare this information. She reiterated it will probably be in 5 years, but the auditors can no longer do both. Selectman Snow replied the Town doesn't have to do it internally they could hire a separate auditor or accounting firm. Mrs. Pratt stated the Town could do that or do it internally. Selectman Snow stated if they have someone do it internally and that person leaves they wouldn't have any backup. Mrs. Pratt replied that's the risk you run and you should make sure the person doing this has a backup. She further stated they should have a backup person in the office anyway, for example, if the person who processes payroll gets sick someone else can do it. Mrs. Pratt explained the next item the auditors looked at was the Town Clerk/Tax Collectors deposits. She went on to explain that State statues require money that is collected be deposited in a timely manner. Mrs. Pratt noted during the audit they saw that some deposits were not being made until six to eleven days after the collection. The other issue with this is that the money is just sitting in the office and it's not the best place for it to be. The next item was the Journal Entries. She recommended that they don't have the same person making the journal entries and doing all of the accounting. The Board should review the substantial journal entries being made. It just lets the Board know what is going on. The final finding was with the Tax Collector. When they reviewed the MS-61 form they noted that the print out of the

uncollected/unredeemed tax report did not agree with the MS-61 report. Mrs. Pratt explained this was a timing issue. The Tax Collector couldn't get the report to print properly off of the BMSI system. She explained the Tax Collector wasn't aware this was an issue until they compared the MS-61 and the uncollected/unredeemed report. She further explained that the Tax Collector is comparing those reports monthly with the MS-61 to make sure they balance. The Tax Collector should be reconciling those with the bookkeeper so she can book the receivables. Selectman Snow asked if BMSI was the only vendor available for tax collecting software and are they in the process of updating it. Mrs. Pratt replied she heard they are in the process of updating it, but she hasn't seen anything. She knows of Avitar and they have a tax collection package that has some good features. There is Unifund who has gotten into the tax collection software business. Their software is a little new and they're still working out the kinks. She noted that BMSI seems to be the most popular package out on the market. Selectman Snow asked if all of the MS forms were part of the audit. Mrs. Pratt explained they did the MS-5 and the Town should have received it last week. Selectman Snow asked if they look at all of the MS forms in the audit. Mrs. Pratt replied that they do. They look at the MS-1 form to make sure it ties in with the taxes committed and the assessed value on the books. They look at the MS-2 and the MS-4 to make sure they have been properly reconciled and tie in with the annual voted appropriations. They also use them to tie in any transfers being made from capital reserve funds or trust funds to ensure they have been properly made. Selectman Snow asked if they looked at the MS-7. Mrs. Pratt replied they really don't look at the MS-7, but they do look at the MS-2, MS-4, MS-1 and then the MS-5. The auditors will help with the MS-5 preparation. Once they complete all of the financial statements with the Town, the auditors have them linked to a MS-5 template and then they are able to complete it. **Numbers:** Mrs. Pratt referred to page 27, the schedule of the unreserved, undesignated fund balance from the beginning to the end of the year. She explained the Town started with an unreserved fund balance of \$604,033.00. In 2008 the Town didn't use anything to reduce the tax rate and ended up with a revenue surplus of \$43,166.00. Mrs. Pratt then referred to page 24 and explained the last column is how the Town ended up with the revenue surplus. The Town had an unexpended balance of appropriations (page 27) in the amount of \$39,240.00, this factors in the encumbrances from the beginning to the end of the year. Mrs. Pratt then referred to page 26. She explained that you take the encumbered from the prior year column, add it to the current year appropriations column, subtract out the encumbrances for the year column, and then you come to the \$39,240.00. Selectman Snow clarified they ended up with a surplus in their appropriations and how does that relate to the effort (at the end of last year) to get approval to overexpend our appropriations. Did the auditors increase their appropriations by the amount the DRA said they could go over? Mrs. Pratt replied yes, they did increase the Town's budget on both sides by that amount. The other thing the auditors took into consideration was the FEMA money that was received at the end of 2008 (December ice storm). The Selectmen can receive and accept gifts, grants, and donations so they increased the budget on both sides by the amount of the FEMA money the Town received. They increased the Town's revenue by \$79,599 and increased the appropriations by \$79,599 as well. Selectman Robie thought the Town didn't receive the FEMA money until 2009. Mrs. Pratt replied that was correct, but the money got booked as an accounts receivable on December 31<sup>st</sup>, 2008. It's because a lot of the work (ice

storm clean up) had been incurred prior to December 31<sup>st</sup>, 2008. The expenditures were incurred, so they needed to match the expenditure to the grant revenue that comes in dollar for dollar. You don't want to have the expense in one year and the revenue in the other. The auditors made a journal entry to bring on a receivable at the end of December 31<sup>st</sup>, 2008 for the \$79,599 and then they credited revenue for the same amount because the expenditure is already on the Town's books. Mrs. Pratt explained when they look at the MS-4 the Town wants to make sure they don't account for the FEMA money as estimated revenue in 2009, because the auditors picked it in 2008 to match all of the expenditures incurred. Selectman Snow asked who puts the MS-4 together. Mrs. Pratt replied the Town does, but if the Town would like her to look at it once it's prepared she would be glad to do so. She reiterated the Town should make sure the FEMA money is not accounted for on the MS-4. There was discussion about turning to the DRA last December. Selectman Snow noted it was a necessary action to take at that point in time, because they didn't know they would be receiving the money from FEMA. So they had to increase the appropriations to be able to conform to statute. Chairman Kelley thought that once the FEMA money came in it was almost a wash. Selectman Lazott stated it was nowhere as bad as some people thought it was. He thought some of the Budget Committee members should have been at the meeting this evening. Mrs. Pratt referred to page 27 to discuss the surplus in the appropriations. She explained there was \$82,406 surplus between the revenues and appropriations that added to the beginning of the year balance. There was an increase for the reserved for special purposes column and that money has to come out of the unreserved fund balance. Basically this money is set aside from donations received, police donations, recreation, and welfare. This money has to be spent on specific items, so they show it as reserved for special purposes in the general fund. Mrs. Pratt explained they had to increase the reserve by \$2,800. When that was deducted the unreserved fund balance for the year is \$683,602. This is an increase from the prior year. She referred to page 4 and explained there was about a \$3,000 increase from last year. Mrs. Pratt explained Exhibit C-2 on page 5 and 6 which is the reconciliations of total governmental fund balances to the statement of net assets. She explained the other governmental funds are considered non-major funds of the Town. Once everything is audited they do a test on all of the Towns funds. They total the funds and if the total number exceeds 10% of the total (any one individual fund) and again exceeds the 5% limit (on any one fund) it's considered a major fund. She noted the non-major funds are found in Schedules 4 and 5 on pages 28 and 29. She explained if you look at the last column on page 28 and compare it to the other governmental funds on page 4 this is where the information is coming from. It's the combination of the expendable trusts, the library, and the Fitts Museum. The same thing is done with Schedule 5 (page 29). Once this is all done you blend it all and that's where Exhibits A and B come into play. This will incorporate any debt that you have, capital leases, compensated absences, unamortized bond premiums, and capital assets (Exhibit A). The only thing missing on Exhibit A is the capital assets. Selectman Snow asked what value is depreciation within a governmental unit. Mrs. Pratt replied it's basically the cost of using the building for a year and with GASB34 as long as you're using a capital asset you have to depreciate it. There was some further discussion on depreciation. Mrs. Pratt explained she had sample policies that she could send to the Town. In addition, she will send samples policies from Primex and the LGC. The Board thanked Mrs. Pratt for her time.

Selectman Lazott asked if the weekly deposits were covered under RSA. Mrs. Pratt replied yes and it's understandable if people can't make the deposits more than once a week. The auditors just want to make the Board aware. She mentioned that they advised the Town of Marlow to petition the State for an extended grace period to make their deposits. Chairman Kelley thought the system they currently have is working pretty well.

Fire Chief Cartier stated due to the work of the department heads and Selectmen they came up with an \$80,000 surplus. He felt this information should get out the public and the budget committee. Fire Chief Cartier thought they did a darn good job last year and coming up with an \$80,000 surplus was phenomenal. Selectman Robie clarified at the end of last year they pulled in half of the \$102,000 deficit and they were 2% under budget. Selectman Lazott mentioned that in order to come up with this money the Town skipped doing things that needed to be done.

**Health/Welfare Director Mary Hall's resignation.** Selectman Lazott read Health and Welfare Officer Hall's resignation letter. Selectman Lazott stated that Mary Hall has done a great job for 10 years and there aren't enough good things he can say about her. He has had the privilege of working with Mary for 4 years as her Selectmen's Liaison and you could never find a more articulate and caring person. Selectman Duarte motioned to accept Mary Hall's resignation with great regret. Seconded by Selectman Lazott. All were in favor. Motion carried.

**Appointment of Donna Del Rosso as Welfare Director.** Selectman Lazott motioned to appoint Donna Del Rosso as Welfare Director. Seconded by Selectman Snow. All were in favor. Motion carried.

**Appointment from Deputy Health Officer William Hallock to Health Officer.** Selectman Lazott motioned to appoint Deputy Health Officer William Hallock to Health Officer. Seconded by Chairman Kelley. All were in favor. Motion carried.

**Approval of Previous Minutes: Public meeting minutes of 8/10/09 and the non public meeting minutes of 7/31/09.** Selectman Robie motioned to accept the non public meeting minutes of 7/31/09 as presented. Seconded by Chairman Kelley. All were in favor. Motion carried. Selectman Snow proceeded to go over corrections to the 7/31/09 minutes. Administrative Assistant Hansen informed Selectman Snow that she already made the corrections and the Board has the corrected version. Selectman Snow asked Chairman Kelley what he would like to do. Selectman Lazott stated as long as they were grammatical corrections and the content isn't being changed he didn't have a problem with it. Chairman Kelley motioned to accept the public meeting minutes of 8/10/09 as amended. Seconded by Selectman Lazott. All were in favor. Motion carried.

### **Other Business**

**Discussion of an expense limit amount of \$1,000 needing Board authorization.** Chairman Kelley felt the department heads should talk with the Selectmen's Rep before purchasing anything over \$1,000. Selectman Snow asked if it was \$1,000 for a single

article, not a bunch of items. He asked how would they implement this and is it something they should do at the first meeting of the month. Selectman Robie thought if the item is coming from an overexpended line it might be a good thing for the Selectmen's Rep to look at. He further stated the department heads know we're on a tight budget. Selectman Lazott stated this would be a hard thing to do especially with the confidentiality involved. They would have to have a non-public meeting to discuss certain situations with the Welfare Department. Selectman Duarte felt they should let the department heads make the decision. He explained Road Agent Lewis isn't going to stop plowing in the middle of the night to call the Selectmen's Rep to make a purchase. Selectman Lazott stated there has to be a happy medium. Road Agent Lewis stated they have to be discretionary about their purchases, for example, if he needed a new plow he would go to Selectmen's Rep. His Selectmen's Rep might suggest he fix the plow he has because there isn't money in the budget for a new one. Selectman Snow stated it sounds like there needs to be good lines of communication between the department heads and the Selectmen's Reps. He felt Selectman Robie was correct in saying that if an expenditure seems unreasonable it should be brought to the Board. Selectman Robie asked the department heads to work hard on their line item budgets; it would be beneficial to everyone.

**Clarification of proposed town office gun policy. Need to define "properly trained" to draft policy.** Selectman Snow questioned if they were going to draft a policy. There was some discussion of it at the last Safety Committee meeting. Chairman Kelley felt there wasn't a person in the office that wanted to carry a side arm. Selectman Snow thought there was a valid reason to discuss this, but didn't want to do it arbitrarily. Selectman Lazott asked if there was a policy stating that guns were banned or not allowed in the office. Selectman Snow replied there is an existing ordinance, but it may be unenforceable. Selectman Lazott thought it was thrown out by the State. Chief McGillen stated it was unenforceable. *Selectman Lazott motioned to pull the ordinance, because the State is the only one who can set a gun policy.* Selectman Duarte asked Chief McGillen for his input. Chief McGillen stated he could research it if the Board wanted to come up with some type of policy. Chairman Kelley asked if a gun could be bought into the Town Hall. Chief McGillen stated there is nothing saying you can't. He further stated if it is concealed you have to have a license to carry. Selectman Snow asked if it was statutory or is there a policy they can make. Selectman Lazott thought that each individual should make the decision for himself or herself. Chairman Kelley stated he just wanted to mention it to the Board. Selectman Snow suggested getting the existing ordinance and clearly define it. *Selectman Lazott retracted his previous motion.*

**Used oil grant paperwork – the Board needs to officially (by a vote) authorize someone (Fred, presumably) to sign for to apply for the grant money.** Chairman Kelley explained this is for the used oil at the recycling center and he needs permission from the Board to sign the application for the grant money. Selectman Lazott motioned to allow Chairman Kelley to sign the application for the used oil grant. Seconded by Selectman Duarte. Selectman Robie, Selectman Duarte, Selectman Snow, and Selectman Lazott were in favor. Chairman Kelley abstained. Motion carried.

**Discussion of Police Detail rates for Deerfield Fair.** Chief McGillen brought to the Board's attention that he did not want to charge the fair a reduced detail rate. He further stated to keep it fair he would like to charge all entities the same rate. Selectman Lazott stated he spoke with Chief McGillen about this and agrees with him. When they went up on the rates it was to cover the cost of cruiser maintenance, retirement, etc. Selectman Lazott felt that what they charge one entity they have to charge the rest. Chairman Kelley stated if they did the fair at a reduced rate they would be losing money. Selectman Lazott motioned that they incorporate and bill the current rate as a practice of fairness for everyone across the Board. Seconded by Selectman Duarte. All were in favor. Motion carried. Selectman Robie asked if they could give the fair association a flat rate, for example \$1,000 for the weekend. Selectman Duarte stated then you're getting away from being consistent. Selectman Robie replied this is a timing issue; the fair is open for four days. He asked if there could be a lump sum rate. Chief McGillen stated they ran into some issues last year. The fair shut down and never notified the Police Department. Selectman Robie felt they should give them a lump sum rate. Chief McGillen replied it's tough to come up with a number and he doesn't want to undercut the Town. Selectman Lazott stated they're better off doing it hourly, because there are too many variables. Selectman Snow asked if traffic details were statutory and is the fair asking the Police Department to do a special detail. Chief McGillen replied they come under the Town's traffic detail ordinance and RSA105 which governs police departments.

**Old Home Day, EEE.** Chairman Kelley noted that several people have asked him if Old Home Day would be cancelled due to the finding of EEE in Candia. He felt they should have Old Home Day as scheduled. Welfare Director Del Rosso noted that she just bought bug spray to give to Rhonda Thyng (Director) for Old Home Day. She explained Former Health/Welfare Director Hall did this last year as well. Selectman Lazott noted Health Director Hallock has been in contact with different organizations, the schools and local farms to make everyone aware of the situation. Selectman Snow asked if there were extra copies of the EEE fact sheets to give to the Old Home Day Committee. Selectman Lazott stated they would have some printed up. Road Agent Lewis asked if the park would be mowed before Old Home Day. Selectman Snow replied he would take care of it. Resident Joanne Beckwith asked if there was any possibility of spraying the park. Selectman Lazott replied the Town doesn't have the money this year. He further stated a lot of the environmentalists are against it.

**Draft policy for communication purposes within the office.** Selectman Lazott stated when there is an issue pertaining to anyone's department it should go to the department head first and then to the Selectmen's Rep. He would like to get this in writing so there aren't any further misunderstandings.

**Vision Appraisal:** Chairman Kelley stated the residents should be receiving paperwork from Vision this week. This information is in regards to hearings some residents had with Vision. He noted they have some unhappy taxpayers regarding Vision's decision. The next step for residents will be filing for an abatement after the December tax bills come out.

**Transport of the Transformer:** Chairman Kelley asked if anyone knew when the transformer was being moved. Chief McGillen replied Wednesday night between 8:00 p.m. and 5a.m. It would move 17 miles in 6 hours.

**Announce Next Regularly Scheduled Meeting Date.** The next regularly scheduled Selectmen's meeting is September 14, 2009 at 7:00 p.m.

Selectman Robie reminded the department heads that budgets are due September 11<sup>th</sup> at 3:00 p.m.

**Recycling Center applicants.** Selectman Duarte noted the office has received several applications for the on call Recycling Center position. He asked the Board if they would like him to interview the applicants or do it as a group. Selectman Lazott asked to put the applications in the folder for the Board's review. Chairman Kelley stated once all of the Board members reviewed the applications they could go from there.

**Letters of Praise for the Recycling Center.** Selectman Robie mentioned the Selectmen's Office has received numerous letters from residents commending the employees on the neatness and professionalism at the Recycling Center. This week alone he was approached by two residents to let him know that they are very satisfied with the transfer station. Selectman Robie wanted to bring this to the Board's attention.

The meeting adjourned at 8:35 p.m.

Respectfully submitted,  
Andria Hansen, Recording Secretary