

**OFFICE OF SELECTMEN
6 HOLLAND STREET
PO BOX 139
MOULTONBOROUGH, NH 03254**

Selectmen's Workshop

July 24, 2014

MINUTES

Selectmen: Jonathan W. Tolman, Chair, Joel R. Mudgett, Vice Chair, Paul T. Punturieri,
Christopher P. Shipp, Russell C. Wakefield; Carter Terenzini, Town Administrator.

The meeting was called to order at 4:04 p.m.

FY2013 Audit: Jared Vartanian of Vachon & Clukay was present as the managing CPA to present the results of the audit. He first went over the so-called "Governance Communication" which summarized the key issues found. They had found no significant audit adjustments and noted that management and staff had been very cooperative and timely in the production of documents and needed material. He then reported on the so-called "Management Letter". He noted that the Town received an "Unmodified Opinion" which is the highest ranking one can receive. This means that there were no deficiencies noted and that any noted in prior years had been resolved. He said that the Town's OPEB liability had increased by \$1.5 million noting this was from the implicit rate subsidy in the health insurance of retirees and was being paid on a current basis. He said the Town was not doing anything differently than the rest of the state. Despite this the Town's net equity position had increased by \$650K. He said that the Unassigned Fund Balance is \$4.8 Million or about 8% points above target. He did note one upcoming GASB standard that will impact our financial statements. Municipalities are being required to reflect their portion of the New Hampshire Retirement System liability on their balance sheets. He said it is far too early to have any sense of numbers on this, but felt it was a good thing the Town had built a good reserve and felt we can withstand the impact. Jon said he felt that staying on top of the proper accounting of the people's money was one of the most important things the Board does. Jared said that he oversees 25+/- municipal audits and feels that Moultonborough is in the top tier of performers. Carter asked the BoS & ABC for their questions within two weeks that he might prepare a response for the next workshop.

FY2014 Q2 Report: Heidi Davis, Finance Director, reported on the 2nd Quarter of FY 2014 noting there were no substantive areas of concern. Carter advised there was a possible leave time coming up in the Police Department that might create a potential over time issue. Carter asked the BoS & ABC for their questions within two weeks that he might prepare a response for the next workshop.

BRC Facility Site Study: Fred Matuszewski of CMK Architects and Ed Jansury of Rist Frost gave an overview of how four (then five) sites were selected by the working group, the walk-about on those sites, the Decision Matrix developed by the group and the scoring activity the work group engaged in earlier that day. He said that Site 1A & Site 3 were the two preferred sites while (with respect to Site 3) he was to look at Site 2 to host elements of the facility in order to maximize the economic development potential of Site 3 in conjunction with the Village Vision effort. He also explained how the SAU had "reserved out" a portion of their lands. Ed Jansury provided the Board with an overview of the analysis done on the site criteria matrix. Fred said that interestingly the Decision Matrix scores of each person had not varied greatly from person to

person. It was also noted that there was a possible need for Carter to talk with the Bank of NH about possible land swaps to make the best use of Site 2 and 3. There was unanimous consensus to move these two (three) sites forward for study. Carter noted that it was the study group's intent to have the next decision point ready for possible action at the joint SAU/BoS meeting of August 12th.

In discussing the analysis of zoning issues Carter noted that the BoS has yet to resolve whether or not it will follow zoning or use its statutory exemption. Russ said this would be decided by the Town. Carter noted that in this case "the Town" was the BoS as they moved the projects forward to the Planning Board. The consensus was for planning effort to conform to the zoning to the maximum extent feasible holding a final decision on the use of the Town's statutory exemption until a future date.

Board Retreat: Carter gave an overview of the program and circulated a set of questions he asked all to fill out that he might forward it to the facilitator by 08/01.

BRC Facility Needs & Feasibility Study: This is the independent review of the need for and feasibility of developing the proposed facility (including an analysis of gross and net costs of operation) that had been proposed by the Town Administrator since his arrival in 2008. Recreation Director Donna Kuethe gave an overview of the proposed scope of work to be undertaken by the UNH team, their costs (\$5k) and the potential for a private consultant (\$50k). Russ asked what she needs from them. Carter said that subject to the discussion of the day he was proposing to bring a request for authorization and funding to the next BoS business meeting. Paul said that in doing some due diligence on the two lead personnel he found them to be very pro-recreation. He said that if we need to sell this to the public that UNH can be seen as a bit of a left leaning institution. He said that we can't just go with a spreadsheet on low price approach. Carter said he understood the concern, but pointed out that the individuals do have reputations to defend/protect. He said there are basically two sources for such types of studies; academic and private. One of the two academic institutions approached was open to undertaking the project (UNH) while the second was not. The other alternative was to issue an RFP for a private consultant. Joel agreed the two individuals may be recreation minded, but that we do need someone who understands the business to do the study. Carter said he had hoped for, and will continue to advocate for, an "MBA type" to be part of the effort. Paul, also said he felt there needed to be a member of the BoS present throughout the study effort. Carter said that, as he was doing with the BRC Facility Site Study, he would make the process as open as possible. The end result of the discussion was for Carter and Donna to obtain the samples of prior work and invite the two UNH lead staff to the 08/07 meeting.

Old Dump Update: Carter gave an overview of the second round of sampling at the Old Dump recently discovered (along Route 109). One well again showed that manganese exceeded the Ambient Groundwater Standard. While this is a naturally occurring element throughout much of New Hampshire it may be difficult to prove it is not coming from the Old Dump. He described the options as continuing to sample and submit those to DES or submit this sample and tell them we are done except for filing an Activity Use restriction. He said he believed the BoS wanted to do the testing to feel comfortable the old landfill was not contributing to a degradation of the groundwater. He said these test show it is not. He needed to know how the Board wanted to proceed. The consensus was to follow the latter course but to do so upon formal vote at a business meeting upon receipt of a staff memo.

States Landing: Carter gave an overview on the current status of the project and a proposal from the engineer for the next phases of work. Carter said the price tag was above what he had hoped for and was driven in part by a belief of the Engineer we would be best served by getting all permitting out of the way at once. Carter also noted the need to develop some smaller scale projects for the neighborhood to participate in as we had done this year. He will meet again with the Engineer and report back.

Fund Balance: Carter spoke to the fact that, based upon planned uses, we may be some \$600k or so above the unassigned fund balance target. The policy said that in these cases we should address the following uses in descending order, of contributions to reserve funds below target levels, capital needs not met within the pre-set growth targets, and then tax reduction. He said a larger discussion needed to be held in abeyance waiting to see what happens with the county audit, but he did want to address the issue of the FY 2015 Pathway allotment. This had been bumped up by \$25k or so by petition. He needed to know if he was to maintain the \$63k allotment again and if so if it was to be within or outside of the 5% growth cap. There was a general consensus that such a decision should be made upon each occasion of a petition warrant article forcing the capital budget up beyond its planned growth cap. Joel thought we should maintain the allotment at \$37.5k and let the advocates for more petition for it again. Russ agreed. Chris thought we should allot the full \$63k and consider the added monies to be outside the cap. Paul and Jon agreed. Carter said this was sufficient direction for him for now and he would return to the issue when the county picture settled a bit more.

The Chair said he needed a Non-Public Session for Personnel and Reputation. Paul moved, seconded by Chris for a Non-Public Session under RSA 91A:3 II 2 (a) and (c). A roll call was taken: Paul – Aye; Chris – Aye; Russ – Aye; Joel – Aye; Jon – Aye. The Motion carried Unanimously. The Board entered Non-Public Session at 5:40 p.m.

The Board returned to Public Session at 6:19 p.m. having voted by a vote of 2/3 or greater to seal the minutes as divulgence of the information discussed likely would adversely affect the reputation of a person other than a member of the public body itself.

Adjournment: Chris Made the Motion to Adjourn. Russ Seconded.
The Motion carried Unanimously.
Jon adjourned the meeting at 6:20 p.m.

Approved

Respectfully Submitted
Carter Terenzini

Date