

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

Selectmen's Meeting

August 20, 2015

**MINUTES**

Selectmen: Christopher P. Shipp, Chair, Russell C. Wakefield, Vice Chair, Josiah H. Bartlett, Jean M. Beadle, Paul T. Punturieri; Carol Granfield, Interim Town Administrator; Scott Kinmond, Administrative Liaison; and Hope K. Kokas, Administrative Assistant.

- I. **CALL TO ORDER:** Chris called the meeting to Order at 7:00 P.M.
- II. **PLEDGE OF ALLEGIANCE:**
- III. **REVIEW / APPROVAL MINUTES:** Paul asked to amend the minutes of August 13<sup>th</sup>, Old Business, item #2, add at the end of the sentence, to read, "...implications of building a new gym facility *at the next work session.*" Paul Made the Motion to approve the minutes of August 13, 2015 as amended and August 13, 2015 Non-Public minutes. Russ Seconded. Josh abstained as he was not present at either meeting. The Motion carried Unanimously.
- IV. **CITIZEN INPUT:** 1) Hollis Austin reminded the Selectmen of the Heritage Commission hosting the Landmark Series, 'Preserving Community Character: Opportunities for Historic Village Buildings' on Monday, August 24<sup>th</sup>, at 7:00 PM at the Moultonborough Public Library. He felt that this was important as it is part of the Village Vision. 2) Representative Glen Cordelli asked and learned that he would be able to offer information during Representative Karel Crawford's presentation.
- V. **NEW BUSINESS:**
  1. **Presentation: Representative Karel Crawford, Carroll County Budget:** Representative Crawford said that although it may be premature to announce, she believes a supplemental budget will be approved at a hearing on September 9<sup>th</sup> at 10 a.m., tentatively to be held at the Carroll County Nursing Home's dining room. She hopes that the Board of Selectmen will attend this hearing, as this will have ramifications to the Town, as Moultonborough pays approximately 25% of the county's budget. What is being proposed is a \$2.6 million supplemental budget. Ms. Crawford felt that all involved should take the blame. The Delegation made the assumption that the figures they were given were correct and they were not. There is a proposed \$139,000 budget cut. Jean commented that it appears that overall what has taken place are accounting errors. She expressed concern that the requirements in the employment advertisement for the Director of Finance are not sufficient, and should be at a CPA or masters level with at least 5 to 7 years in municipal finance experience. Anything less than this kind of experience and knowledge will lead to more accounting errors. Chris agreed that what is being advertised appears to be at entry level. Representative Crawford thought it would be helpful if the Board sent a letter to the County Administrator and Commissioners expressing their concern over the lack of experience being sought. She added that the county is off to a good start by hiring the County Administrator. Paul asked about the

reported \$2 million in bad debt on the Nursing Home. Ms. Crawford replied that part of this is from the state and slow payments to the county. Jean commented that anyone receiving payments from Medicaid and Medicare need to have a reserve to cover this. Josh asked how this happened and if she thought it was due to incompetence, corruption, malfeasance. Ms. Crawford replied that there hadn't been an audit since 2010, however in an effort to find the errors, they are now at the 2014 audit which should be done soon. She added she doesn't feel this was deliberate, but due to a need for more complex accounting. Josh asked and learned that the Commissioners will be hiring the Director of Finance and the Delegation will not be involved. Representative Glen Cordelli said that DRA's report is due in December and if there is malfeasance, then it will go the next step to the Attorney General's office. He added that most of the County Nursing Home residents are Medicaid/Medicare recipients. The Nursing Home bond had \$1.3 million left over and that went into the General Fund. Both Representatives agreed that the numbers in regards to the deficit are constantly changing. Ms. Crawford said that the auditor was asked if theft was involved and they reported that there was no indication in the 2010, 2011 and 2012 audits. Jean thought that the revenue was over stated and money wasn't lost. 1) Fred Van Magness told the Selectmen and the Representatives that he has been watching this "circus" of the County Delegation and Commissioners which has been at the expense of the Town. He asked how it was possible that audits weren't done yearly, adding that he doesn't think it is a revenue problem, but a cost problem. He thought that the Commissioners should be fired and the Board of Selectmen need to take a strong stance. He suggested that the Town not pay the expected supplemental \$600,000 County tax bill. Mr. Van Magness concluded by saying that DRA should have a team at the County and get to the problem. Chris replied that the Board shares his sentiment, however the Town legally has to pay. Jean added that late payment will result in an 18% interest charge. The Board agreed that they would like to have the County Administrator and Commissioners report to the Town. Ms. Crawford said that DRA is not doing an official audit. Mr. Cordelli added that the audit is being done by a firm from Maine. Josh asked how to go about to remove the County Commissioners. Mr. Cordelli replied that the Town would need to go to Superior Court. He added that he proposed \$300,000 in budget cuts. 2) Jay O'Donnell asked and learned that the Commissioners are paid \$10,000/year. He asked if the state has a requirement that counties close their books on a certain date and to have a yearly audit. Representative Cordelli replied that they aren't required to have a yearly audit. He added that he proposed a bill to require this which was defeated. 3) Joe Cormier said he read that DRA said that they would not go back and do audits, but want to insure that this year's budget is correct. He agreed that a letter should be sent to the Commissioners asking them to increase the requirements for the Financial Director. 4) Alan Ballard said he agreed with Mr. Van Magness and thought the Town had "dropped the ball" and has taken no action. The Selectmen need to push to change the formula. Paul and Russ agreed that the formula used is unfair, adding that they've tried without success to change this. Paul suggested that the Selectmen should attend the meeting scheduled for September 9<sup>th</sup>, encouraging Moultonborough residents to attend. The Board agreed. Paul Made the Motion to send a letter to the Commissioners, strongly requesting that they meet with the Selectmen on this major problem. Josh Seconded and the Motion carried Unanimously. Josh Made a Motion to send a letter to the Commissioners, copying the Delegation, urging the County to increase the required qualifications for the Finance Director's position. Paul Seconded and the Motion carried Unanimously. 5) Mr. O'Donnell asked how this can be prevented in the future. Ms. Crawford said that the Delegation will push for yearly audits. Russ

commented that changing the law didn't serve Concord's purpose. 6) Mr. Van Magness suggested that the Town not pay the County tax bill until the audit is done. Chris replied that this isn't realistic. The Town is mandated to pay the tax bill and will be charged an 18% late fee. Ms. Crawford said that the TAN will take the County to the end of September. If this supplemental budget isn't approved, there will be no money to pay salaries, and the bank will shut the County down. The County has obligations to meet. She said that she will vote to approve the \$2.6 supplemental budget. Mr. Cordelli said that part of the \$2.6 is the deficit coverage from last year and the rest for this year. He said he questions the revenue numbers. 7) Mr. Ballard thought that the Town's share of the County tax should be reduced. Russ commented that the Town's share will always be at the formula now used and will be 24%. He feels that the County needs to reduce their budget. Mr. Cordelli said that DRA will attend this public hearing and he hopes the Selectmen will attend. Chris encouraged Town's people to also attend. When they are sure of where the meeting is to be held, Chris asked that this information be posted on the Town's website under News & Announcements. 8) Mr. Cormier said that the RSA to petition DRA to not pay the county tax is under RSA 29. 9) Mr. Austin thanked both Representatives for attending and their efforts, and also asked the Selectmen to reduce the number of 24%. He said this is an example of the need to reign in government. Josh commented that if the Commissioners don't respond to the Delegates, then perhaps the State of New Hampshire needs to eliminate county services, as Massachusetts is doing. The Selectmen thanked Ms. Crawford and Mr. Cordelli for attending their meeting and updating them on this important subject.

2. Review for Action: Consent & Signature File:

DATE	DOCUMENT	MAP/LOT#
8/20/15	2015 Charitable Exemption – Huggins Hospital	052-013
8/20/15	Application for Construction of Driveways	028-029
8/20/15	Personnel Matter	N/A

Chris read the Consent & Signature File. Russ Made the Motion to approve the Consent & Signature File for August 20, 2015. Jean Seconded and the Motion carried Unanimously.

3. Review for Action: Temporary Use Permit, 494 Whittier Highway: Scott reported that both the Police and Fire Chief have no objections or recommendations for this request for a yard sale on this commercial property. Paul Made the Motion to approve the Temporary Use Permit for 494 Whittier Highway, August 29<sup>th</sup> and 30<sup>th</sup>, 2015. Josh Seconded and the Motion carried Unanimously.

4. Review for Action: 2015-2016 Salt Purchase, Waiver of Policy #23 - Competitive Bid: Scott reported that in his Staff Report, he explained that last year the state vendor wasn't able to keep up with the demand for road salt, requiring that he request a waiver to the bid policy under the emergency provision to purchase the salt from the Town's previous vendor. He is requesting that the Board waive the bid policy due to the state bid contract, and to waive the policy under Section VII (Emergency). Jean Made the Motion to waive the Bid Policy #23 for the NH State Contract Vendor and to also waive it for Granite State Minerals, Inc. under the emergency provision of Policy #23. Russ Seconded and the Motion carried Unanimously.

5. Review for Action: 2015-2016 Road Program, Intersection Reconstruction Bid Package Schedule: Scott said that in his Staff Report he is requesting to advertise the bid package for the 2015 Road Program and the Reconstruction of Intersections. He explained that it is planned to do the work in the order that they are listed: 1) Far Echo and Moultonboro

Neck Roads, 2) Old Route 109 and Whittier Highway, 3) Wentworth Shore and Shaker Jerry Roads. As advertised there will be a public hearing on September 3<sup>rd</sup> and 17<sup>th</sup> to purchase land in order to do this work and that is the reason that Wentworth Shore and Shaker Jerry Roads are last on the list. Scott told the Board that he has met with the Town's attorney to put together a purchase and sales agreement in order to do this. The bid package is ready and he provided the Board with an updated Invitation to Bid. Scott said it should go out tomorrow and for next week in the local newspaper, as well as being sent to construction journals and previous bidders. Russ asked about the intersection at Old Route 109 and Route 25, and will the excess land go to the abutters or the Town. Scott replied that unless the abutters wants it, it will go to the Town. Jean Made the Motion to authorize the Town Engineer and Public Works Director to proceed with the bid advertisement for the reconstruction of intersections, per the 2015 Road Program. Russ Seconded. The Motion carried Unanimously. Russ complimented Scott on a job well done with the work the crew did on Ossipee Mountain Road. Scott thanked him, adding it is a good example and saves the Town money. He said that the local contractors are very talented.

6. Review for Action: Cease & Desist Order, MBLU 263-090, 14 West Point Road: Chris commented that this property owner who they've recently approved of a Cease and Desist Order for an illegal shed has gone ahead and built an illegal deck next to the illegal shed. Paul Made the Motion to issue the Cease and Desist order on the owners of 14 West Point Road. Russ Seconded and the Motion carried Unanimously.

#### **VI. OLD BUSINESS:**

1. Josh asked the Board if they knew of any Town rule against advertising in a Saturday newspaper. He said he was told today that they can only advertise public hearings in the *Meredith News*, a weekly paper, which adds extra time. Carol said Moultonborough doesn't have their own newspaper. The reason is probably because it always has been done this way. Unless the Board made a motion, there is no reason against this. Chris thought that they could advertise in the *Meredith News* and the *Laconia Daily Sun*. Scott said they can research the cost, but he didn't know of any statute or policy requiring this. He feels that the free newspapers have a bigger circulation. Chris asked if Skelly's carried the *Laconia Daily Sun* and learned that they didn't, but Murphy's does. Josh said then the statute would be covered if they advertised the CIPC public hearings in a daily newspaper. Russ added that there is no such rule against it.

#### **VII. OTHER BUSINESS:**

1. Board & Staff Liaison and Update Reports: Jean reminded everyone about the Heritage Commission's Landmark series that Mr. Austin mentioned earlier, Monday, August 24th, at 7:00 PM at the Moultonborough Public Library.
2. Town Administrator Report: Carol said that Alison did a nice job on the invitations for the Volunteer Appreciation Luncheon and they will be going out in the mail. She reported that the Board has been provided with three new Administrative Regulations, #4, 5, and 6. She may have a couple of general ones that she will get done prior to the new Town Administrator starting. The Department Heads have provided her with their goals and she offered to facilitate. Paul thought and the Board agreed that the new Town Administrator will facilitate. Carol said she will provide this information for the second

phase to the new Town Administrator. In addition, as the Board can see, Department Heads are using the new Staff Report formats.

- 3. Recreation Advisory Board Minutes, August 11, 2015: Acknowledged.
- 4. Planning Board Minutes, August 12, 2015: Acknowledged.

**VIII. CORRESPONDENCE:** None.

**IX. CITIZEN INPUT:** 1) Mr. Cormier told the Board that he agrees with Mr. Austin about the need to reduce the size of government. He added that the county’s portion of the Town’s tax bill is only 14%. All spending needs to be reduced.

**X. NON-PUBLIC SESSION:** Chris said that the Selectmen need to go into Non-Public Session per RSA 91-A:3 II (b), hiring, and will reconvene for adjournment only. Paul Made the Motion to go into Non-Public Session and to return for the sole purpose to adjourn. Josh Seconded. A roll call was taken: Josh – Aye; Paul – Aye; Russ – Aye; Jean – Aye; Chris – Aye. The Motion carried and the Selectmen went into Non-Public Session at 8:41 p.m.

The Selectmen exited Non-Public Session at 8:40 p.m. Josh Made the Motion to seal the minutes as it is determined that divulgence of the information discussed likely would affect adversely the reputation of a person other than a member of the public body itself, and to not disclose the minutes and decisions reached to the public until, in the opinion of a majority of the members, the aforesaid circumstances no longer apply. Paul Seconded. The Motion carried Unanimously.

**XI. ADJOURNMENT:** Paul Made the Motion to Adjourn. Jean Seconded.  
Motion Carried Unanimously  
Chris adjourned the meeting at 8:41 p.m.

Christopher P. Shipp, Chair  
Approved

September 3, 2015  
Date  
Respectfully Submitted  
Hope K. Kokas, Administrative Assistant