

MOULTONBOROUGH ADVISORY BUDGET COMMITTEE

Meeting Minutes

August 12, 2013

Present: Jean Beadle, Alan Ballard, Kathy Garry, Chris Shipp, Barbara Sheppard

Absent: None

Public: Nancy Wright

Chairperson Beadle called the meeting to order at 4:30 PM in the Town Hall meeting room.

The minutes of the July 22, 2013 meeting were approved unanimously following a motion by Kathy, which was seconded by Chris.

Jean made available the June 30th School year-end financial statement, which she had just received. It was agreed that we would review the report individually and discuss it at our next meeting.

Jean updated the committee on the Pay for Performance presentation she gave to the BOS and said that a follow up has been requested.

The 2nd quarter Town report was reviewed along with a draft of Jean's comments. Finance Director Heidi Davis' detailed comments provided an excellent explanation and summary of items that deviated from budget. Jean's report mentioned four items that were significantly under budget and requested comments on them. There were also five capital expenditures where information was requested. Another item on the town financials was the Recreation Revolving Fund and a memo from Donna Kuethe. This memo projects a deficit of \$10,000 versus a budgeted \$30,000. It was agreed to wait until next quarter's numbers are available since summer program expenses would be included. The committee was in agreement to have Jean submit the report to the BOS, Town Administrator, and Director of Finance.

The six month Library numbers were reviewed along with a draft of Jean's proposed letter to the Library Trustee. The major item was that the operating budget allocated \$9,000 on Oil for the entire year whereas the six month YTD expenditure was \$9,025. Barbara explained that there had been an overpayment of \$800 and said that she would check to see if there was a payment timing that would account for such a large variance. Professional Fees and Computer support expenditures were also noted as being over budget.

The draft report also made reference to prior attempts by the ABC to review Library bank accounts and reconciliations. These attempts were denied on the basis that the funds were private and exempt from Town review.

The Auditor's letter to the BOS dated July 22, 2013 contained specific comments regarding significant deficiencies in the Library finances. These deficiencies included the following:

- Lack of an accurate financial statement
- A \$200,000 + difference in funds held by the Library versus what was reported
- Discrepancies in reported revenues and expenses
- Weakened financial controls
- Monthly bank reconciliations of 17 active accounts not accurately prepared

Although deficiencies such as the above have been discussed and reported by the ABC for a number of years, the committee once again reviewed and recommended solutions. The corrective measures

suggested are straightforward and easy to implement. For example, many of the pure accounting work could be done by the Town Finance Director's office while allowing the Library to retain complete control over all financial decisions. Once again, Jean offered to meet with the appropriate Library trustees and staff in order to discuss ways that the above problems could be solved. Hopefully, implementation of recommended actions could be in place by the end of this year in order that next year's audit report will not have any adverse comments.

Everyone except Barbara (who abstained from comment) agreed that Jean's draft report with a few minor changes be sent to the Library Trustees.

The final topic was a review and discussion of a job description for a Human Resource position. Several meetings ago when areas of focus for this year were reviewed, the idea of recommending an HR person who would handle these functions for all town entities was raised. Opinions were mixed. Kathy Garry representing the School Board indicated that she felt there is sufficient training and resources available to existing staff. Kathy expressed the opinion that she did not believe the School Board was interested at this time in this position. - - Jean commented that the town office alone does not have a sufficient number of employees to justify one person for that function. The committee felt that if this subject is included in the ABC's final report, it should continue to be a topic for future consideration.

The next meeting will be held on August 26 and agenda items will include a review of the SAU FYE report plus preparation for the upcoming budget cycle.

At 5:38 PM a motion to adjourn was made by Chris, seconded by Alan and approved unanimously.

Respectfully submitted,
Alan Ballard, ABC member
August 15, 2013