



**TOWN OF NORTH HAMPTON, NEW HAMPSHIRE
SELECT BOARD**

APPROVED MINUTES 2/11/2009

REGULAR MEETING - WEDNESDAY DECEMBER 3, 2008 –7PM
MARY HERBERT ROOM – MUNICIPAL COMPLEX

1. 6:15 Non-Public Session Executive Conference Room

1.1 RSA 91-A:3 (a,c,e)

2. Call to Order & Call of the Roll

Motion by Selectman Salomon to move out of non-public session, Seconded by Selectman Coutu. Motion carries 3-0.

Motion by Selectman Salomon to seal the minutes of the non-public session. Seconded by Selectman Coutu. Motion carries 3-0.

3. Consent Calendar*

4. New Business

4.1. School Generator – Chief Page

Town Administrator Fournier told the Board that it is on hold.

4.2. Presentation from Municipal Resources Inc. – Finance Director Services.

Alan Gould, Operations Manager at MRI introduced the Board to Doug Smith. Town Administrator Fournier explained that in accordance with the accounting study conducted by Selectman Coutu and the Board's approval of the recommendation to contract the services of a "part-time" Finance Director, he contacted MRI for their assistance. Mr. Smith is a CPA that provides Finance Director Services to towns through MRI. Town Administrator Fournier explained to the Board why the town needs to hire a Finance Director. He also explained that the town is experiencing growing pains and the need to update our computer systems. Chair Creighton asked when the individual would be coming in. Town Administrator Fournier stated that the agreement calls for 90 days, 24 hours per week. MRI is flexible if we don't need as many hours. Selectman Coutu sees position as a shake down 90 day period in terms of where we are; if we are compliant with accounting principles adopted. Establishing internal controls clearly a "to do." Selectman Coutu stated that he would like to know that our posting and reconciliation functions are what the need to be. Selectman Coutu stated that after the Board gets a sense of the "landscape" then they can see about a longer term engagement. Chair Creighton stated the importance of internal controls, and the need to ensure that our financial systems are updated to operate effectively in the 21st century. Selectman Salomon said his focus was on the contract and is concerned that the scope is not more fine tuned. Selectman Salomon stated that the scope of work should be more clearly defined.

Chair Creighton stated that it was her understanding that the goal tonight was to meet Mr. Smith and to find out about his experience. She stated that the board could review the contract specifics later. She asked Mr. Smith to give overview of his previous experience with emphasis on area of municipal government. Mr. Smith explained the various positions he has held, mainly in state government. He explained what his position was at the NHRS. Selectman Coutu asked if it was correct to state that Mr. Smith's experiences are that of a

* These items are routine in nature and are approved without discussion. Should a member of the Board request to have an item removed, it shall be placed on the agenda under new business. The consent format is to expedite the business of the Board when adequate backup material has been provided.

controller type of person who oversees the finance department activities. Selectman Coutu asked Mr. Smith if he was familiar with GAGAP and GASB 34, and Mr. Smith stated that he was in the somewhat familiar with governmental accounting standards. Selectman Coutu also asked if Mr. Smith has the skill set to translate from modified accrual to full accrual basis, and if he had ever prepared a MD&A. Mr. Smith stated that he has worked on two MD&A's. Selectman Coutu suggested that the Board needs to caucus and discuss where to go from here. The Board agreed that the contract needs to be modified to establish a clear scope of work for a 90 day period with the ability to continue the services on ~~an~~ as needed basis.

Cable Television Trust Fund Clarification

Chair Creighton explained the history and the conflicting balances of this fund. Town Administrator Fournier read a memo prepared by Tom McCormick, Town Accountant which discusses the reconciliation of fund balance ~~shown~~ and a spreadsheet showing certain transactions which need to be corrected. Mr. McCormick explained a posting error involving Comcast and Comstar which resulted from a deposit made into the wrong account. . Selectman Coutu questioned Mr. McCormick's on what appeared to be an -addition error on his spreadsheet and asked recheck his the spreadsheet to ensure that the reconciliation amounts are correct. -Chair Creighton stated that the Board needs to make sure there is an on going process of ensuring that controls a check and balance system so errors can be caught earlier. Chair Creighton stated that the Board should have a meeting after the March elections to see what actions need to be taken in terms of the trust funds, and the treasurer, accountant, and Town Administrator attend. She also stated that the Board should consider having an audit conducted of all the Capital Reserve and Special Accounts.

4.3. Authorizing the Issuance of a Tax Anticipation Note

With delay of issuance of tax bills, the town is still "cutting it close" and whether or not we will have enough funds to pay county tax bill, schools, and the library. Chair Creighton stated that based on the economy, this was not the best financial time to borrow money. Town Administrator Fournier- recommended the Board move forward and to authorize a TAN, because the Board must approve before the- treasurer issues. Selectman Coutu explained that the Town needed to borrow due to the revaluation and the delay in accepting the new values. Selectman Coutu explained that this has created a delay in sending out the tax bills. Selectman Coutu said the Town would most likely borrow money for a month with interest rates of 3% to 3 1/2 %. He further stated that- one million dollars is the maximum that the Town will need to borrow.

Motion by Selectman Coutu subject to clarification of resolution on notion the town authorizing borrowings done up to one million dollars, and terms and conditions that are commercially reasonable. Seconded by Selectman Salomon, Motion carries 3-0

5. Items Laid on the Table[†]

5.1. Select Board Rules and Procedures

Chair Creighton stated that his would be covered after budget committees have concluded. Fire and Police Radio Communication Issues

Town Administrator explained that he had- received a report, will pass on to Board

5.2. Motorcycle Noise Petition

Motion by Selectman Salomon to take motorcycle noise petition off of the table. Seconded by Selectman Coutu. Motion carries 3-0

5.3. Code of Ethics Review

[†] Items laid on the table shall remain on the table until a member of the Board of Selectmen makes a motion to remove such item from the table.

Town Administrator Fournier explained that he was asked by the Chair to send a copy to each of the boards, committees and commissions for their input. He and the Chair will review the comments/suggestions, add their own and then give the revised draft to the Select Board for review and approval.

5.4. Personnel Policy Review

Town Administrator Fournier stated to the Board that he is looking at possibility of -having NHLGC prepare (for free) a policy for the Board to review.

5.5. Capital Improvement Plan

Selectman Salomon stated that the Planning Board has suggested a day meeting. Mr. Salomon also stated that the Cable Committee issue should be put back on items laid on the table.

6. Report of the Town Administrator

Insert Steve's report

Chair Creighton mentioned that the Mosquito Control fund was set up as a Capital Reserve Fund and that in light of the current economic climate, the Board should use the reserve fund to pay for mosquito related expenses. Selectman Coutu stated to the Board that he wished to clarify that the 0% increase on the budget's being submitted include all warrant articles.

Motion by Selectman Coutu to approve \$70,000 expense associated with mosquito control be funded by the Mosquito Capital Reserve Fund so that there will be not be a tax impact from the funding. Seconded by Selectman Salomon. Motion carries 3-0

The Board discussed the possibility of a joint Town meeting with District 13 legislatures in late January. Chair Creighton asked Mr. Fournier to continue to check on joint perambulation efforts with contiguous towns.

7. Minutes

7.1. Regular Meeting October 8, 2008

Motion by Selectman Coutu approve minutes as such amended by Chair Creighton Seconded by Salomon. Motion carries 3-0.

7.2. Regular Meeting October 15, 2008

Will be reviewed and discussed at next Select Board meeting.

7.3. Regular Meeting November 19, 2008

Will be reviewed and discussed at next Select Board meeting.

8. Adjournment

Selectman Salomon motion to adjourn, Seconded by Selectman Coutu. Motion carries 3-0.

Respectfully Submitted,

Janet Facella