



DRAFT MINUTES

TOWN OF NORTHWOOD, NEW HAMPSHIRE

BUDGET COMMITTEE

DRAFT MINUTES

818 First New Hampshire Turnpike, Northwood NH 03261  
(603)942-5586 Extension 211 Facsimile: (603)942-9107

February 20, 2020

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6 Vice Chair Tom Chase called the meeting to order at 7:00 PM

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8 **PRESENT:**

9 Vice-Chair Tom Chase, Brian Winslow, Betty Smith, Michael Moore, Ted Wilkinson,  
10 Cove Village District Representative Michael Jobin, Water District Representative  
11 Robert Young, Selectmen's Representative Hal Kreider, Paul Tudor, and Gulf Village  
12 District Representative Eric Buckland, Brad Hall, Steve Robinson, and Stephen  
13 Mancini

14

15 **ABSENT:**

16 **(Excused)** Ginger Dole, Grace Mattern. **(Unexcused)** Dan McNally, Bob Young

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18 **Town Staff:**

19 Municipal Administrative Assistant Lisa Lamarche

20

21 **MINUTES**

22 ***January 15, 2020***

23 **Ms. B. Smith made a motion to approve the minutes of January 15, 2020 as**  
24 **amended. Mr. Moore seconded. Motion carried 12/0.**

25 ***January 16, 2020***

26 **Ms. B Smith made a motion to approve the minutes of January 16, 2020 as**  
27 **amended. Mr. Wilkinson seconded. Motion carried 12/0**

28 ***January 21, 2020***

29 **Ms. B. Smith made a motion to approve the minutes of January 21, 2020 as**  
30 **amended. Mr. Moore seconded. Motion carried 11/0/1 with Mr. Winslow**  
31 **abstaining.**

32 **2019 End of Year Review**

33 Mr. Chase read a note from the Town Administrator.

34 *Please note that Mr. Colby and Mr. Waring, our hired CPA and consultant, are still*  
35 *working on expenditures and bills from 2019, therefore 2019 is not closed out yet.*

## DRAFT MINUTES

1 Selectman Kreider stated that the numbers are not good that are in the report. They  
2 will have to wait. There are two issues that they have. The first is that they lost their  
3 finance person. There were a lot of invoices that were not addressed among other  
4 things. They hired Glen (Waring) to help with that. They quickly got the plowing  
5 contractors paid and then has been working diligently to get all the invoices that were  
6 back logged paid. As of Tuesday (February 18), they are caught up on old invoices and  
7 stabilized now. 2019 is still ongoing. They are getting invoices or had invoices that  
8 should have gone into 2019. They are going to try to journal entry them back into  
9 2019, because they were just trying to get the vendors paid. If there is a way to do  
10 that, they are going to do it. Mr. Mancini asked why were these bills not paid in 2019?  
11 Selectman Kreider stated that information is not in the purview of the Budget  
12 Committee. Vice Chair Chase asked if DRA will be concerned with the town  
13 overspending? Selectman Kreider stated that he thinks the town underspent, so he's  
14 not concerned about that. He stated that the plan was to have Mr. Colby look at all of  
15 the internal controls, for example cash receipts, payroll, 2-person verification, etc.  
16 When it's all finished, they will have policies and procedures in place. He stated that  
17 he does feel that they need more help still because he thinks they might fall behind  
18 again. There is a new finance person starting on Monday, and he expects another  
19 update on Tuesday. Mr. Hall asked if the Board of Selectmen have an idea of what the  
20 anticipation of getting these policies and procedures at least identified? Mr. Kreider  
21 stated that the bottom line is that Mr. Colby and Mr. Waring feel that they will be  
22 ready for the audit in June.

23 Mr. Wilkinson thanked Selectman Kreider for being forthright about the breadth and  
24 depth of the problems. Unfortunately, it does affect directly the work that they do on  
25 the Budget Committee. Over the past year, virtually every one of the financial reports  
26 were riddled with errors, so the Committee knew that there were deep problems. He  
27 stated that it is astounding to him that a situation could have come to pass, partly  
28 because long time membership on the Board of Selectmen. There is a lot of experience  
29 there, they were told 31 years as a CPA, 21 years as a selectman, at the Candidate's  
30 Night. As he stated that same night, he is mostly retired but he does contract work for  
31 the treasury department every year. He looks at a lot of audits. He assesses the  
32 capacity of groups around the country that are applying for billion dollars annually in  
33 Newmarket's tax credits. He is just a consultant, but in that role, he is right in the  
34 middle of that first rush right now. His impression of this audit, although it is for the  
35 year 2018, and they will have to wait until November or December to see what the year  
36 2019 looked like. He stated that he really appreciates the fact that some of these  
37 issues are starting to be addressed. What he is distressed about is that in the very  
38 polite and restrained language of audits, these guys are screaming with "repeat  
39 comment", "repeat comment", "repeat comment" which means that they have told the  
40 Board of Selectmen via an audit letter exactly the same thing before. As you have  
41 graciously acknowledged that nothing was done for a very long time, it's hard for him  
42 to get his mind around how someone could be sitting on a board for 21 years and  
43 allowed this to degenerate. But we are where we are and we want to go forward, and  
44 this is actually a very helpful road map. Selectman Kreider stated that he will say

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1 again that this is not really the purview of the Budget Committee, if Mr. Wilkinson has  
2 a question or concern about the Board of Selectmen, bring it up at the Selectmen's  
3 meeting, and recognize that they operate as a board and recognize that they also have  
4 to work through the employees that they have. If he wants to critique the selectmen,  
5 this is not the venue. Mr. Wilkinson stated that he would like to focus on what they  
6 need to do as a town. He knows they can move forward, but they have been hearing  
7 the same thing for at least the last year "We just hired someone and they are going to  
8 come in and fix it." He hopes it's true this time, but it has not been over and over  
9 again. Selectman Kreider said there are no guarantees, they cannot anticipate  
10 everything.

11 Mr. Hall stated that they should be concerned with the quality of data and move on to  
12 the next topic. As a Budget Committee, they feel a bit disenfranchised this past year.

13 Mr. Chase asked if everything was being addressed in the audit letter, and asked if  
14 there was an implication in this since they are at some point review the end of the year  
15 materials? Selectman Kreider stated that it was, and at the first Selectmen's meeting  
16 in March they should have the end of year reports.

17 Mr. Wilkinson stated that every board that he reviews regularly, corporate and non-  
18 profit, they all have an audit subcommittee so that one individual doesn't have to  
19 stand alone and ask the difficult questions. He feels that Mr. Kreider deserves to have  
20 some support.

21 Selectman Kreider stated that he wanted to let the committee know about the Safety  
22 Facility Strategy Committee. It was approved at the last Selectmen's meeting. Mr.  
23 Chase stated that Mr. Young should be added as Emergency Management Rep.  
24 Selectman Kreider stated that the committee needs a Budget Committee rep, but a  
25 Budget Committee member could also be on it as a citizen.

### 26 **SCHOOL 2<sup>nd</sup> Quarter REVIEW**

27 Mr. Winslow stated that the business administrator stepped down after being out ill.  
28 Mr. Waring has been helping them out. The SAU switched to Tyler Technologies for  
29 their finance software, and Mr. Waring has experience with it, so they are very  
30 confident at this point. Mr. Chase asked if there were any surprise enrollments so far.  
31 Mr. Winslow stated that there are more enrollments than usual, more people have  
32 moved in than moved out. They added one more teacher just in case, which added  
33 \$80,000.

### 34 **ADJOURNMENT**

35 **Ms. B. Smith made a motion to adjourn at 8:03 PM. Mr. Wilkinson seconded.**  
36 **Motion carried 12/0**

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38 *Respectfully submitted,*

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41 *Susan Austin, Land Use Assistant*