

**BOARD OF SELECTMEN
TOWN OF PEMBROKE, NH
February 16, 2022 at 6:30 PM**

Present: Selectman Richard Bean, Selectman Sandy Goulet, Selectman Peter Gagy, Selectman Karen Yeaton, Selectman Ann Bond

Staff: Town Administrator David Jodoin

I. Call to Order:

Chairman Bond called the meeting to order at 6:30pm.

II. Citizens Comment:

None

III. Scheduled Meetings

Tammy Webb – Vachon Clukay 2020 Audit Review

Tammy Webb, Audit Manager and Lead Auditor on the 2020 Audit from Vachon Clukay and Company reviewed the 2020 Audit with the Board. The Town received an unmodified opinion which is a clean opinion and the financials are fairly stated. During the audit process, they walk through and document the controls on major financial transactions. They will select a sample size of around 40 transactions and trace them from beginning to end to perform a control test. They will also review journal entries to see if anything requires further attention. In 2020, it was found that revenues exceeded the budgeted estimated amount by \$490,000 or 7.1%.

Considering this particular year, that is good. The biggest contributor was the Town recognized more in motor vehicle registrations than was expected/budgeted. Total expenditures were less than the final budgeted amount by \$342,000 or 4.5%. The end result is a budgetary fund balance of around \$7,900,000. The fund balance retention policy had recently been updated to retain a minimum of 10% and a maximum amount equal to 25% of gross appropriations of the general fund plus what is collected for school, county, and state taxes. Looking at the 2020 budget, the maximum would be roughly \$5,500,000. The Town has taken steps to meet that Fund Balance Policy. At the March 2021 Town Meeting, there were two warrant articles totaling \$930,000 that were to be funded from the end of year fund balance. When the tax rate was set in December 2021, another \$500,000 was used to further reduce the tax rate. For the March 2022 Town Meeting, there are two more proposed warrant articles amounting to a little more than \$724,000 to be paid from the existing fund balance. This does not include what will be used to offset the 2022 Tax Rate.

In 2020, the Town received approximately \$240,000 from COVID relief funds to help offset costs associated with the COVID-19 pandemic. According to the 2021 ARPA Funds schedule, the Town was awarded an additional \$754,000. Half will be received in 2021 and half in 2022. If funds are not spent, at the end of 2022 they will be recorded as an advance from grantors. Any monies not spent by the end of 2024, will need to be returned to the federal government. If the Town ever receives more than \$750,000 in a single year from the federal government, they will need to do a single audit on those funds.

There was a new GASB pronouncement (GASB 88) and it affects certain disclosures related to debt. Essentially, bonds and notes payable will be classified into three different categories; general obligation bonds, direct borrowing, and direct placements. Currently, the Town has debt that qualifies in the first two categories and those disclosures are in the footnotes. Once audit reports are issued, a separate letter is issued to the Board of Selectman to communicate the results. Findings included missed controls over payroll. One employee's timesheet wasn't formally approved by the Department Head and one hourly rate did not agree to what was in the personnel file. Cash disbursement controls were tested and two check manifests were not formally approved by the majority of the Board of Selectman. When reviewing the procedures on the tax lien redemptions, the Registry of Deeds wasn't notified within the 30-day time limit which is out of compliance with state law. Material audit adjustments are separated into major funds and non-major funds. There was a finding between the general fund and the ambulance fund related to COVID funding and related expenditures. There was a significant amount of relief funds attached to the ambulance service but the funds were recognized to the general fund. The adjustment was taking those funds from the general fund and putting them into the ambulance fund to offset their expenditures. There was also an increase in OPEB in the water fund. The actuarial value was not updated at year end.

Selectman Yeaton asked if the revenues exceeding expenditures was related to COVID. David explained shortly after pandemic began, the Town estimated low numbers on motor vehicles registrations. In April 2020, they were \$20,000 behind where they were in April 2019. Forecasting the budget out, that line was dropped by \$150,000. The dealerships started offering deals and incentives and the revenue ended up coming in. Going into 2022, the revenues are estimated at \$1,500,000 but the dealership lots are low on inventory and not offering large deals so revenues could go the other way. In a typical year, the revenues total between \$1.4m and \$1.5m.

Selectman Yeaton asked about the processes for the payroll and liens that were noted by Tammy. David explained a COLA adjustment was missed was for former Chief Paulsen. The COLA adjustments are put into payroll on April 1st and employees sign the pink sheets as soon as they can. When Chief Paulsen retired, this was missed and therefore the employees pay rate in the computer and on the payroll card did not match. The notice to the registry of deeds is done after the lien is completed and the homeowner comes in and pays it off. The report was printed but sending it in was

missed. Selectman Yeaton suggested double checking that the manifests are signed before the end of the meeting.

Cecelia Lane – Comcast Complaints

Did not make it to the meeting.

IV. Old Business:

None

V. New Business

Acceptance of State MS-737 Form

Selectman Yeaton made a motion to accept the MS-737 for posting. Selectman Goulet seconded the motion. Motion passed 5-0.

Execute 2022 Town Warrant for Posting

Selectman Goulet made a motion to approve the 2022 Town Warrant for posting. Selectman Yeaton seconded the motion. Motion passed 5-0.

Manifests/Abatements

Selectman Goulet made a motion to accept the manifests and abatements as presented. Selectman Yeaton seconded the motion. Motion passed 5-0.

Minutes - 2/2/22, Non-Public 2/2/22

Selectman Goulet made a motion to accept the minutes of February 2, 2022 as presented. Selectman Yeaton seconded the motion. Motion passed 4-0. Selectman Bond abstained.

Selectman Goulet made a motion to accept the non-public minutes of February 2, 2022 as presented. Selectman Yeaton seconded the motion. Motion passed 4-0. Selectman Bond abstained

VI. Town Administrator Report:

Four bids for the Safety Center project came in at \$162,000, \$209,000, \$219,000, and \$274,000. The architect wants to get clarifications on some of the bids and that will come to the board for approval next meeting.

Tax deeding notices went out for the residents that have not paid their 2019 taxes. Deeding date is May 6, 2022.

Selectman Goulet made a motion to release non-public minutes as presented.
Selectman Bond seconded the motion. Motion passed 5-0.

VII. Committee Reports:

Selectman Gagyí – Planning Board discussed the car dealership that wants to go in on Manchester Street. City of Concord is not a fan of the project and is taking the lead. The Board discussed a way to open the Range Roads so individuals can have property and not only big developers because bringing the road up to town standards is cost prohibitive for most.

Selectman Yeaton – Conservation met to further review deeds. They are also continuing discussions on how and when to get the new OHRV signs up. They are in to process of doing their yearly walk of their properties.

Budget Committee held their public hearing.

Selectman Goulet – None

Selectman Bean – None

Selectman Bond – None

VIII. Other Citizen Comment:

None

IX. Non-Public Session:

Selectman Goulet made a motion to enter into non-public session in accordance with RSA 91-A:3 II (b) The hiring of any person as a public employee, seconded by Selectman Bond at 7:24pm

Roll Call Vote:

Selectman Yeaton Yes
Selectman Bean Yes
Selectman Gagyí Yes
Selectman Goulet Yes
Selectman Bond Yes

The Board came out of non-public session at 8:07 PM

X. Adjourn:

Selectman Goulet made a motion to adjourn at 8:08 PM. Selectman Bond seconded the motion and it was approved unanimously.

Ann Bond, Chairman

For more detailed information, the meetings are now taped and can be seen on www.townhallstreams.com click on Pembroke NH and look for the day of the meeting under the month.