

**Selectmen's Workshop**  
**Monday, April 14, 2014**

Chairman Morgan called the workshop to order at 3:00 PM. Present were Selectmen Richard Morgan and Frank Riley, Ellen White, Town Administrator, Elaine Sherman, Finance Manager, Natalie Hall, Treasurer, and Kellie Skehan, Town Clerk/Tax Collector. Selectman Robert Freeman arrived at 3:10 PM.

Morgan announced the purpose of the workshop to discuss the deficiencies noted on the audit for year ending 12/31/2012 but also to open communications between all involved in the Town's financial position.

Riley discussed the purchase order process. He stated that the town is currently struggling to make payments at the purchase level. He added that having a plan to commit funds for purchases would be more effective.

Skehan stated that most major purchases are 12-weeks out so a plan could be put in place for purchases taking place after approval at Town Meeting. Communication to the Department Heads would be required to make it happen.

Discussion took place on cash flow. Skehan stated there to be historical lows between March-May then again in September-October.

Riley asked if it would be wise to start the process for the TAN note earlier than April. Skehan answered that the process used to be started in February but the process has changed over the years.

Hall stated that she received the proposal from Northway Bank for the TAN note in the amount of \$2,500,000 at an interest rate of 0.92%. She stated there is an unused line fee which would be applied to any amount of the note that is not borrowed. Discussion took place on borrowing the full amount prior to the end of the year then repaying it back immediately if it was not needed.

Discussion on the deficiencies noted in the audit took place. Riley stated the importance of working on the deficiencies now since most have been unresolved going back to 2010. Morgan added that the deficiencies will be carried forward into the 2013 audit because action was not taken in 2013. Skehan answered that the Town can respond during the audit review with the action plan in place for 2014 so it can be noted.

Discussion took place on implementing a purchase order system. Sherman stated that her software has the capability but the module is not in place. She stated that it would be an additional cost to add the module and some training would be required. She added that the current use of purchase orders is not consistent and often the purchase order is issued with the invoice for product or service already rendered.

Further discussion took place on setting the limit of money for when a purchase order would be required. Freeman debated the importance of requiring a purchase order for every purchase using Napa Auto Parts for an example. He contradicted his statement by adding that Center Ossipee Fire Precinct requires a purchase order for every item right down to toilet paper.

Morgan and Riley asked for a copy of the current Purchasing Policy. White gave Morgan a copy she had in her file. Riley asked that copies of the Purchasing Policy be distributed for review.

Sherman was asked for input. She stated that she had many ideas one which included bulk supply purchasing. Discussion took place on cooperative purchasing and storage of bulk items.

Sherman added that there had been no discussion on ways to assist with the collection of money. This opened discussion on slow payment of property taxes. Skehan stated that having the taxes due after the first of the year created a delay. She added that the delays in setting the tax rate have been an issue. In the past, the tax rate has been set in October. She stated that she cannot have the bills due sooner than 12/1 and 7/1 but steps can be taken to ensure they are not delayed further. She stated the previous Town Administrator was to send notices to the Fire Precincts reminding them of the form due dates starting in July-August to expedite setting the tax rate. White answered that she will be doing that this year. Skehan added that we could also send reminders to the County and School District.

Sherman asked if the bill turnaround time has always been this fast. She added that there is also a problem with Department Heads holding onto bills, some for months, which make planning for payment difficult. Riley stated that no one should be holding onto the bills. He added that he agrees that there is not enough time to review the bills prior to payment being issued. He stated there is an opportunity for changing the process. Skehan commented that changes in the process took place during staff changes in the bookkeeping position.

Additional discussion took place on the scheduled school payments and the varying amounts of the payments.

White stated that the Investment Policy also needs to be reviewed.

Morgan stated he would like to continue the work session next Monday at the same time and include review of the Investment Policy, Purchasing Policy and school payment schedule.

Workshop recessed at 3:45 PM.

---

Richard H. Morgan

---

Robert C. Freeman

---

Franklin R. Riley

To be approved 4/21/2014