

Selectmen's Workshop
Monday, April 21, 2014

Chairman Morgan called the workshop to order at 3:05 PM. Present were Selectmen Richard Morgan, Frank Riley and Robert Freeman, Ellen White, Town Administrator, Elaine Sherman, Finance Manager, Natalie Hall, Treasurer, and Kellie Skehan, Town Clerk/Tax Collector.

Morgan stated this meeting to be a continuation from last week to review the Purchasing Policy and Investment Policy.

Morgan asked if everyone had a chance to review the Investment Policy. Everyone in attendance confirmed. Morgan commented that the policy puts the burden on Natalie in her position of Treasurer.

Morgan asked if anyone had comments or changes. White stated that a clause should be added that the policy should be reviewed annually to comply with the RSA.

Discussion took place on the Town's surplus. Morgan questioned if there was a way to set up a fund to create an actual surplus or if there was a way to increase the borrowing limit to have the funds available to borrow from for an emergency. Hall stated that the amount borrowed on the TAN note is based on a percentage of the amount voted at Town Meeting. She added that the current amount is at a maximum. Further discussion took place on creating a fund for emergency expenditures at Town Meeting. Sherman provided explanation on accrual based accounting. Hall suggested a \$50,000 warrant article for next year.

Hall presented a list of all accounts she handles. Freeman questioned the account for Ambrose Pit. Hall answered that all pits have an account for reclamation fees. Morgan questioned the account for Water & Sewer. She stated it to be the user fees that the operating expenses are deducted from. Morgan asked what happens to the interest earned on the escrow accounts. Hall answered that principal plus interest is returned when the pits are reclaimed.

Hall commented that this review is the first time she has seen the Investment Policy. Morgan responded that he suggests meeting at least quarterly with the current attendees and complete the review annually. He followed up by stating there will also be Department Head meetings upcoming.

Riley commented on the Purchasing Policy stating he thought it to be 95% good and just needing implementation. He did question the use of field purchase orders. Sherman answered that we do not have them and it was one of her questions as well. Morgan stated he thought the current use of purchase orders to be field purchase orders. This opened discussion to the issue of using a purchase order after the purchase.

Riley stated that purchase orders need to be issued before the purchase as part of planning for the purchase. Sherman stated that most departments are good about issuing the purchase orders but until the purchase is ready to be paid for. Additional discussion took place on creating subaccounts with vendors that are used by the different vendors. Riley commented on using an open-purchase order for planning. Freeman stated his opposition to an open purchase order system.

Sherman stated that the Department Heads should be creating a worksheet to create their budget as part of planning for purchases. Morgan stated this to be a question from the Budget Committee as there is no supporting documentation submitted with the department's budget requests.

Riley stated that he does not believe the procedure listed in the policy is being used as stated under the competitive bidding. Morgan answered that he believes it is.

In discussion about the Freight House renovations, Morgan commented on performance bonds for small contractors. Sherman added that the Town could require retainers to ensure project completion. Additional discussion took place on lien waivers. Morgan stated that the Town is still financially responsible for the project and its subcontractors.

Riley questioned the process for setting up a new vendor. Sherman answered that she normally does not know of a new vendor until a bill has been received from someone not set up in the system. White stated that the responsibility needs to go back to the Department Head as part of the planning process. Sherman discussed the independent contractor waiver that has been implemented. Other required documents were also discussed.

White questioned what qualifies an approved vendor. Riley asked if there was a current approved vendor list. Sherman answered that there is not. Riley answered that it would be anyone currently setup. Morgan added that communication between Department Heads, Finance and the Town Administrator is essential.

Skehan discussed the importance of Department Heads planning for their purchases. Additional discussion took place on the structuring of the current purchase orders and when authorization is required for purchases.

Discussion took place on the payables process. Hall suggested creating two batches; one for invoices that need to be paid and one batch if there are additional funds available. She stated that we need to work with the weekly cash flow. Riley discussed the importance of a cutoff day for when invoices should be submitted to Elaine for processing.

Morgan suggested meeting with the Department Heads to review the purchasing policy for compliance and to see if they suggest any changes.

Being no further time for discussion, Morgan made a motion to adjourn the workshop. Freeman seconded. A unanimous vote was taken.

Adjourned at 4:13 PM.

Richard H. Morgan

Robert C. Freeman

Franklin R. Riley

To be approved 4/28/2014