

County of Carroll
Delegation Meeting
 Carroll County Administration Building
January 25, 2021

Meeting convened: 1:00pm

Members Present: (All remote through the Zoom Meeting platform)

Chairman Lino Avellani, Vice-Chairman William Marsh, Clerk Brodie Deshaies, Mark McConkey, Glenn Cordelli, Jonathan Smith, Bill Nelson, Karen Umberger, Anita Burroughs, Steve Woodcock, Jerry Knirk, Karel Crawford, Tom Buco, Chris McAleer, John MacDonald

Others Present:

Commissioners Terry McCarthy, Matthew Plache and Kimberly Tessari; CFO Fergus Cullen; Register Lisa Scott; County Attorney Michaela Andruzzi, Sheriff Domenic Richardi; Ed Comeau (GovernmentOversite.com), Daymond Steer (Conway Daily Sun), Jim Miller (Clearview TV); Mitch Yeaton (White Horse Recovery); Matt Coughlin (Carroll County Conservation District); Mary Seavey (RSVP); Jan Brooks, Eileen Leavitt (End 68 Hours of Hunger), Treasurer Joe Costello, Register of Deeds Lisa Scott

Executive Coordinator Mellisa Seamans;

This meeting was posted on the County website at www.carrollcountynh.net, in the administration building lobby, advertised in the newspaper the notice was mailed to each member of the Delegation.

Call to Order

Pledge of Allegiance

Approval of Meeting Minutes

MOTION: "To approve the January 11, 2021 meeting minutes" by Rep. Marsh, 2nd Rep. Woodcock. Passed 15-0

Budget Presentations

Name	Line	Proposed	Action
White Horse Recovery	100.9180.089	\$150,000	MOTION: "To approve the funding of \$150,000 for White Horse" by Rep. Umberger, 2 nd Rep. McConkey. Passed 15-0 AMEND: "To require a new Memorandum of Understanding between White Horse and the County" by Rep. Cordelli, 2 nd Rep. Smith. Failed 4-11 with Reps. McConkey, Nelson, Cordelli and Smith in favor.
RSVP	100.9180.153	\$80,000	MOTION: "To approve the funding of \$80,000 for RSVP" by Rep. McConkey, 2 nd Rep. Marsh. Passed 15-0
Carroll County Conservation Dist	100.9180.155	\$40,000	MOTION: "To approve the funding at \$46,150" Rep. Woodcock, 2 nd Rep. Burroughs. Passed 15-0
End 68 Hours of Hunger	100.9180.158	\$8,000	MOTION: "To remove from the table" by Rep. MacDonald, 2 nd Rep. Umberger. Passed 15-0

			MOTION: “To approve the appropriation of \$8,000 for End 68 Hours of Hunger” by Rep. MacDonald, 2 nd Rep. Umberger. Passed 13-2 with Reps. Smith and Cordelli opposed.
Treasurer	100.4101	\$10,582	MOTION: “To approve \$10,582 for the Treasurer budget” by Rep. Umberger, 2 nd Rep. Marsh. Passed 15-0
Administration Building	100.4190	\$52,505	MOTION: “Accept the administration building budget of \$52,505” by Rep. Marsh, Passed 14-0 with Rep. Smith absent
County Facilities	100.4198	\$955,131	MOTION: “Approve the County facilities budget of \$955,131” by Rep. Umberger, 2 nd Rep. Marsh. Passed 13-1 with Rep. Smith absent and Rep. Cordelli opposed.
Medical Referee	100.4150	\$24,600	MOTION: “Approve Medical Referee at \$24,600” by Rep. Marsh, 2 nd Rep. Woodcock. Passed 14-0, Rep. Smith absent

Regional Appropriations

Discussion about the need to develop a written, consistent policy to address the awarding of funds to and reporting required by non-profit organizations.

White Horse Recovery

Rep. Umberger: The original MOU was created because White Horse was unknown in first-year funding, regular activity reports are required.

Rep. Marsh: Concern about the amount of funding White Horse receives in comparison to the other regional appropriation requests.

RSVP

Mary Seavey, representing RSVP: Number of meals delivered in 2020 up 19,000 compared to 2019. Unable to do traditional fundraising activities due to pandemic.

Carroll County Conservation District

Matt Coughlin, representing CCCD, district has existed since 1946 through statute. Members received letter of support from State conservation committee prior to the meeting.

Rep. Umberger: If funding passes, what additional programs will be leveraged.

Coughlin: Funding pays for his time to work on procuring grants for sustainable farming and other programs.

End 68 Hours of Hunger

Rep. Smith: Supports the program. Concern about funding the program at the County level because this chapter serves only a portion of the County.

Rep. Cordelli: Concurred with Rep. Smith sentiment.

Commissioner McCarthy: Commissioners voted not to recommend because the organization receives funding from towns and serves only a portion of the county. They do good work.

Rep. Deshaies: Services about half of the county. Other things the county funds disproportional but balances in the end.

Rep. MacDonald: Other organizations receive town funding and County funding.

Rep. Burroughs: Making sure children have enough to eat is high priority.

Rep. Umberger: Contact End 68 Hours program in Conway who said fortunate this year to have enough resources to fund the program this year in the northern chapter.

Rep. Nelson: Did the organization receive Covid money?

Jan Brooks, representing End 68 Hours of Hunger: We did not.

Rep. Marsh: Acute need, particularly in southern part of county. Asked commissioners to make a policy regarding regional appropriations.

Rep. Knirk: Comfortable with funding given Rep. Umberger's comments. Agree with Rep. Marsh regarding policy.

Treas. Costello: Pull at the heartstrings but remember these are tax dollars

Comm'r Plache: Agrees with need for policy

Rep. Cordelli: Suggests a joint delegation/commissioners policy

Rep. Avellani: Suggests the Delegation Grant Review Committee work with the commissioners on this.

Administration Building – Maintenance Director Bob Murray

Budget reduced due to 100% of Maintenance Director's salary moved to nursing home budget.

Rep. Umberger does not agree because it skews the true cost of the nursing home and administration building.

Rep. Umberger asked that the CFO provide the Delegation with justification for charging an employee's salary to one department's budget when the employee works for more than one. CFO Cullen responded there were four employees whose salaries were split – Dir. Murray and three finance department positions. The splits were causing a misrepresentation of the true cost of these positions.

County Facilities – Maintenance Director Bob Murray

Rep. Cordelli urged that the County needs to stop awarding no-bid contracts

Sheriff's Department/Dispatch Center – Sheriff Domenic Richardi

Sheriff Richardi: Adding new deputy position partially funded by reducing the secretarial position to 27 hours and most of the remaining by a grant. Requests to reduce line .029 to \$1,500 and line .073 to \$60,000 for a budget reduction of \$2,500. Reimbursement for college credits is included in the education and conference line. The year 2020 was a very difficult year for law enforcement. By 2023, to keep certification, training hours will increase to 24 hours per year from the current 8 hours. Rep. Knirk commends sheriff for bringing in a good budget.

County Attorney/Related Budgets – County Attorney Michaela Andruzzi

Victim/Witness (100.4111) \$91,860

Federal grant of \$32,500 funds education, conferences, office equipment and supplies, and part of director's salary for victim/witness budget. Increases in salary and retirement percentage. CFO Cullen will verify commissioners' proposed budget includes requested salary increases.

County Attorney (100.4110)

Recognizes budget increased "quite a bit". Would like to combine the salary lines rather than separating administrative and attorney lines (4110.007 and 4110.008). Split out for transparency but this takes away flexibility when hiring. Accrued payout of \$7,000 included. Additional \$21,000 denied in previous years but funded for 2021 by commissioners. This document management project needs to be done but given the financial constraints this year, this could be pushed off to 2022. Regarding civil commitment (4110.030), would like to create a contingency fund, gradually building to \$50,000. Office equipment increase would fund new computers for five attorneys. Electronic discovery started in 2020, less copying, postage, less work for staff.

Domestic Violence Prosecutor (100.4112)

Financial stress and pandemic isolation increases domestic violence. Benefit of this position is consistent results across the county. Handled by attorney with specialized training in domestic violence and victim services. Goal is to quickly get victim services in place. Anticipated about 100 cases per year. District court recorded 134 cases in 2020. Carroll County is fortunate to retain its staff for the past four years.

2019 Audit Presentation – Sheryl Burke and Alyssa Simard of Melanson Heath

Ms. Burke presented a PowerPoint presentation then Chmn. Avellani opened the meeting for questions.

- Rep. Buco: What is the unrestricted fund balance and how much is safe to use to reduce taxes?
- Ms. Burke: Provided explanation of fund balances, noting end 2019 unassigned of \$4,563,136.
- Rep. Cordelli: Concerned about delayed reconciliations. Reference email from Melanson Heath to County finance praising County staff, on schedule and noting several delays other than County followed by an email a few weeks later contradicting the first, noting lack of the ability of the County to close the books and perform timely reconciliations.
- Ms. Burke: When auditor gets to positions that books are not closed and reconciliations are not done, the County made the right choice to take the time to close the books and reconcile for clean audit opinion. In order to provide clean audit, the accounts had to be reconciled.
- Comm'r Tessari: Asked who the firm worked with at County
- Ms. Burke: Primarily communicated with the finance director, treasurer, former administrator, and worked with CFO when he was hired to complete the audit
- Comm'r Tessari: Asked who specifically was being asked to close the books
- Ms. Burke: Several status updates sent to the commissioners and through executive coordinator to the Delegation
- Rep. McConkey: Inquired the meaning of high-level audit and clean audit and the difference in the two terms
- Ms. Burke: Typically, presentations are to the commissioners, some counties do not require a presentation
- Rep. McConkey: "high-level" overview the presentation type or does it reference the type of audit.
- Ms. Burke: Audit is very in-depth. High-level overview terminology is giving opinion of financial statements. Auditing profession has own standards regarding what is appropriate of an audit and requirements. We are required to provide information about material weakness, auditor's opinion, any difficulties, material audit adjustments or deficiencies. This presentation high level overview of those requirements.
- Rep. McConkey: The Carroll County audit process the same as used for other counties
- Ms. Burke: Yes, and in accordance generally accepted auditing standards
- Rep. Marsh: We have been looking for the audit to give us information about internal auditing controls. What is the difference between this type of audit and forensic audit?
- Ms. Burke: Financial statement audit was conducted. Have to design procedures to provide general assurance that financials in accordance with principles and standards. Have to understand procedures and how they are implemented. Not engaged to examine internal controls. Have to note any material weakness discovered. Internal control audit involves a more in-depth audit. During the audit process we noted material weakness – delay of closing the books, lack of reconciliations and regular monitoring of those processes. Even though material weakness in internal controls, we were able to use different tests and procedures, we were able to form opinion. If not, the conclusion would have been different.
- Rep. Cordelli: Conflicting reports about status of information flow that you requested and County supplied, problems of reconciliations, etc.
- Ms. Burke: Cash reconciliations and other things. Material weakness is trained staff with capacity to timely close the books. Monthly close of books should be addressed.
- Rep. Cordelli: How long should it take to close the books after close of year. How long should it take to reconcile one month.
- Ms. Burke: Some able to close books quickly. Sometimes internal reasons, sometimes actuarial reports hold up the audit. Cash is most important are for reporting and critical. One of the first things done when closing books. Generally, most counties and municipalities two weeks to a month of receiving the bank statements. Depends on number of cash accounts.

Chmn. Avellani: Did you means test policies to cash reconciliations

Ms. Burke: We test to all bank statements, test material items, cash cut-off procedure before and after year-end to be sure things are posted to proper period.

Rep. Nelson: How long to hold the close of books

Ms. Burke: Hold the close of books one to two months awaiting final invoices. Accrue the amounts, based on when you incurred the service or received the goods regardless of when the bill comes

Chmn. Avellani: What do you think Carroll County could do better to facilitate timely audits

Ms. Burke: Timely closing of the books. Making sure happening on a monthly basis so at year-end not having to close multiple months. Will find books can close much sooner at year-end. Cash reconciliations are key. Monitoring important part of internal controls. Having CFO for the monitoring of internal controls is step in the right direction.

Chmn Avellani: Thank you for your candor and professionalism during our meetings.

Other Business

Chmn. Avellani asked for Delegation ideas of other things beyond a financial statement the new auditing firm should look into. Rep. Cordelli concerned about credit card use, particularly use of County card by IT contractor. Is purchasing in-line with IT contract? Suggested review of 2020 credit card transactions. Rep. Cordelli asked the auditor to look at validation of the accuracy of the transfer of information from in-house server to the cloud version of Avenu. The Avenu contract mentions validation of the data but the extent of the validation is in question. CFO Cullen will bring these issues to the commissioners' attention for the 2020 audit.

CFO Cullen reported 2020 audit is underway, some material has been spent. Hope to have "soft close" of the books by end-February. There will be more closing entries than in years' past due to closing books early. Rep. Marsh asked that CFO Cullen address credit card use. The County has operated in decentralized basis, commissioners wanted it that way. The two performance audits suggested more centralization of processes. Some of the questions about control and accountability are legitimate. Trying to move towards centralization and recommendations in the two performance audits. The new auditing firm is Batchelder Associates.

Rep. Bucu asked for focus on reconciling each month. Performance audits in 2014 and 2018 noted delay in the reconciling.

Treas. Costello reported that all County departments to date have provided reconciliations except the main County fund. He looks forward to seeing continued progress.

Rep. Deshaies disagrees with cutting training and education lines. The goal to cut the budget is worthy but will decrease productivity and may not well-serve taxpayers. Rep. Cordelli suggested the lines be looked at for the increases versus the actual spending.

MVC Bond Refinancing

Packet mailed to Delegation about two potential bond projects, one to refinance nursing home and one to bond the registry records archival. Potential to save approximately \$850,000 over nine years by refinancing nursing home bond. Can redeem current bonds February 1 or August 1. Comm'r Plache recommended NH Bond Bank, notes included in the packet. NH Bond Bank did January issue and rate was .81%.

Treas. Costello noted lucrative time to do this and suggests working with NH Bond Bank. Important to look at registry request for bond and combine the two. Important to pursue this project. Asks for Delegation blessing to move forward. Looking for a vote to continue moving forward on the pursuit of both proposals.

Rep. Knirk appreciates packet sent out, makes perfect sense. Need to take advantage of the current rates and strongly consider both bonds.

Too late for February 1 with posting, public hearing and other requirements. Suggest steady progress towards August 1. Rep. McAleer questioned if pre-payment penalty or premium to redeem. Treas. Costello said there will be some costs but no penalty or premium because MVC bond has gone beyond 10-year mark of August 1, 2020. Refinance will not have budgetary impact until 2022. Can roll refinance costs into the new bonds.

Reg. Scott asked if the archival records binding moves forward, would the funding be available in 2021? CFO Cullen responded that the cash would be available mid-August 2021.

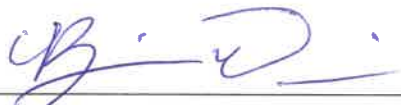
Chmn. Avellani requests the MVC Subcommittee review the MVC bond refinance and make a recommendation to the full Delegation.

Future Meetings

General discussion about availability. Rep. Umberger noted all House committee chairmen are being asked to schedule meetings two weeks out. Agreement about holding Delegation meetings being held late-afternoon, evening meetings to optimize attendance. Consideration that MVC Administrator Chandler has resigned effective February 17. Jail Subcommittee meeting has been rescheduled to January 8. Possible next meeting the week of February 10.

Meeting recessed to the Call of the Chair.

Minutes voted approved on: February 11, 2021


Rep. Brodie Deshaies, Clerk