

**TOWN OF ASHLAND
BOARD OF SELECTMEN
MEETING MINUTES
MONDAY, FEBRUARY 15, 2021
ASHLAND TOWN OFFICE
3:00 P.M.**

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10 **I. CALL TO ORDER** -- -- Town of Ashland Chairman of the Board Eli Badger called the
11 meeting to order at 3:00 P.m. and requested a roll call of the Selectmen: Vice Chairman
12 Kathleen DeWolfe, Selectman Frances Newton, Selectman Alan Cilley, Selectman Andy
13 Fitch and Chairman Eli Badger all acknowledged they were present via the video conference,
14 constituting a quorum of the board. Chairman Badger notified attendees that the meeting was
15 occurring over video and teleconference, a provision authorized by the Governor’s Emergency
16 Order #12 that waived the physical presence of board members during the Covid-19
17 pandemic.
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19 **II. PUBLIC HEARING** – Chair Badger opened the public hearing for Article 21 which will
20 appear on the warrant for the March 9, 2021, election: *“Shall we permit the public library*
21 *to retain all money it receives from its income generating equipment to be used for*
22 *general repairs and upgrading and for the purchasing of books, supplies and income-*
23 *generating equipment, as per NH RSA 202-A: 11-a.”*

24 Alice Staples, Chair of the Ashland Town Library Trustees, explained that this a
25 “housekeeping” article which codifies the authority of the library to retain money from
26 the income-producing services (copying, faxing, etc.) that the library provides for
27 patrons. The article only requires a simple majority for voter approval. There were no
28 other comments. The public hearing was closed at 3:04.
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30 **III. NEW BUSINESS**

31 a. **Health Officer** – The town is currently without a Health Officer due to the town
32 manager’s resignation and is also without a deputy Health Officer. The position is
33 required by the state and is approved by the state upon recommendation of the
34 Selectboard. Scott Vien, our Building Inspector/Code Enforcement Officer, is
35 interested in the position. It was noted that there is often sharing of relevant
36 information between the BI/CEO and the Health Officer positions. The Board felt
37 it was not necessary to advertise the position and they encouraged Scott Vien to
38 fill out the application and submit it to the Board for consideration.
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1 **IV. ASHLAND ELECTRIC DEPARTMENT**

2 **a. Update on Power Outage**

3 Craig Moore updated the BOS on the recent power outage and ongoing evaluation
4 of the cause by the Eaton company from Maine. The problem seems to stem from
5 improper function or incorrect settings of the circuit board (recloser) in the
6 substation which controls one of the large transformers. Additional testing will be
7 done to test the relay, transformers, and circuit boards. The priority will be to
8 replace the old circuit boards with current electronic controls (possibly \$5,000 to
9 \$6,000). Mr. Moore noted that the transformer that is currently operating our
10 electric system is set properly. More information on repairs, costs and scheduling
11 might be available by Wednesday. The Board will move the repair process
12 forward as soon as possible when they have the appropriate information.

13
14 **V. 2019 AUDIT REVIEW** – Katherine Davis, Finance Officer, reviewed elements of the
15 2019 Audit Report. Some issues that were reviewed are recurring issues that have not
16 been addressed. It was noted by Board members that those issues must be addressed.

17 **Opinion Letter and Explanation of Adverse Opinions (2019 Audit)**

18 **Water & Sewer -- Capital Assets** were grouped by asset category lump sums by prior
19 auditors, rather than in a detailed listing. The W&S Department with the Finance Officer
20 is creating a detailed inventory, with historical costs, so an adverse opinion is not cited in
21 the 2020 audit for this item.

22 **Health Insurance Benefits for Retirees** – The town has not recorded the liability of
23 retiree health benefits. The town could ask for an actuarial study to determine the
24 projected for a 3-year period (cost, about \$3,000 to \$5,000), which some towns do and
25 some don't. The Board can discuss whether to do this or to accept the adverse opinion.

26 **Management Discussion and Analysis** – This was not done this year, likely due to the
27 timing of the audit and the departure of the town manager. The FO recommended that the
28 Board ensure that the new TM is willing to do this.

29
30 **Governance Letter Issues – Other Audit Findings or Issues (2019 Audit)**

31 The Finance Officer (FO) noted that it is typical of a new auditor to look at all aspects
32 with an open eye and identify all issues.

33 **Bank Reconciliations** – The auditors noted that bank reconciliations be done monthly
34 (FO recommended by the 15th) by both the Town Treasurer and Finance Officer, and that
35 the reconciliations be compared to identify issues. The FO stated that past delayed issues
36 are being worked on to create a timely process, which should be in place by the end of
37 this calendar year. This will likely be a repeated issue cited in the 2020 audit, but should
38 be rectified by the 2021 audit.

1 **Stale Dated Checks** – The FO stated that this should be an easy fix, between the FO and
2 Treasurer, to review stale dated checks (6 months or older) and either re-issue or void the
3 checks. With a timely reconciliation process, this can be followed up on a regular basis.
4 This will likely be a repeat finding in the 2020 audit.

5 **Town Policies** – According to the auditors, all town policies should be reviewed, and
6 according to the FO, this should be a priority for 2021 for the BOS and new town
7 manager. Policies should show being reviewed and updated within the last 3 years and
8 should also show signatures by a quorum of the BOS or have attached copies of minutes
9 showing approval. The internal processes should also be reviewed for alignment. This
10 will likely be a repeat finding in the 2020 audit.

11 **IT Policies** – CCS (our IT vendor) has submitted their process for data recovery, data
12 retention, and data security. The FO said this could easily be developed into a policy. The
13 FO also recommended that email encryption be reviewed annually to ensure protection
14 and backup on the Cloud, as well as the individual computers. This will likely be a repeat
15 finding in the 2020 audit.

16 **Purchase Orders** – The auditors noted that the town has an adopted purchase order
17 policy and also has current practices, which are not necessarily aligned. Internal controls
18 need to be reviewed and the policy updated accordingly. The FO stated her opinion that
19 purchase orders may not be necessary in a town and staffing level of our size. Signatures
20 on invoices, spending thresholds for approval, levels for multiple quotes (as per bidding
21 policy, but not noted in P.O. policy) are the current practices. This will likely be a repeat
22 finding in the 2020 audit.

23 **Cash Receipts** – It is recommended that the town use pre-numbered receipts for the tax
24 office. This will likely be a repeat finding in the 2020 audit. The FO said it would be
25 beneficial for the Town Clerk/Tax Collector as well as the utilities to use a cash receipt
26 book, with 1 copy for the customer, 1 copy attached to the cash receipt log, and 1 copy to
27 remain in the book.

28 **Adjusted Journal Entries** – This issue has been rectified in 2020. Journal entries were
29 given to the Town Manager for review and approval. In the absence of a town manager,
30 they are currently being reviewed by the BOS.

31 **Payroll** – Previously there was cited an insufficient segregation of payroll duties in the
32 electric department. This has been rectified by moving this function to the Finance
33 Officer.

34 **Utilities** – Issues cited by the auditors included the consolidation of all utility revenue
35 functions under 1 person and lack of review of monthly billing reports before
36 distribution. Recommendations by the auditors included revenue collection being
37 transferred to the tax office, separation of cash receipt and billing functions, and review
38 of billing reports by the BOS or town manager. This will likely be a repeat finding in the

1 2020 audit. The FO would like to implement the sign-off of billing reports with this
2 month's billing.

3 **Account Coding** – This has been rectified. All invoices are coded and approved prior to
4 payment. If an invoice is not coded, it is sent back to the department.

5 **Late Payments** – The auditors recommended that the town make every effort to avoid
6 late payments that incur interest or service charges and to take advantage of any discounts.
7 The FO noted that the pandemic and slow post office process affected this issue; they are
8 contacting the vendors when there are issues. They process payments on a biweekly
9 basis, and more often when needed.

10 **Capital Asset Lists** – The auditors recommended that the town institute a formal process
11 of creating and maintaining records of capital assets for all departments. The FO has
12 worked with departments during 2020 to capture information from invoices to be added
13 to the capital asset lists and to document items removed from the lists. This process will
14 continue between the FO and the department heads.

15 **Debit Cards** – The auditors noted that employee debit cards are used almost daily,
16 especially when the town credit cards are maxed out. This essentially results in town
17 funds being disbursed without the proper review and authorization by the BOS, which
18 results in the circumvention of internal controls. The auditors recommended that debit
19 cards no longer be used. The FO concurred with this recommendation. Use of debit cards
20 is a high risk activity; there are no statements/invoices available for debit charges; and
21 there is no online way to review such debit charges. All but one department has a credit
22 card, but the FO noted that there should be further discussion by the BOS on the best
23 credit card purveyor.

24 VI. UTILITY BILLING

25 a. **Update** – There have still been debit adjustments made on the December and
26 January bills. The electric billing process continues to be a manual process. The
27 electric department has received scanning devices, but each electric meter still
28 needs to be manually programmed for use with the reading devices, a process
29 which is about half done. A software issue with uploading the automatic read data
30 from the water meters is being corrected, and processing of water bills should be
31 done by the end of this week. The town understands the frustration with the
32 billing issues over the past several months and thanks the customers for their
33 patience. The town is working diligently to rectify the problems as fast as they
34 can.

35 b. Reminders for Utility Customers

- 36 i. Payments received by the 10th of the month will be posted on that current
37 month's bill.
38 ii. All utility payments should be mailed to P.O. Box 517, Ashland NH
39 03217. (The Collins Street address is no longer being used.)

- 1 iii. Endorse checks to the proper utility department, for example, Ashland
- 2 Electric Department for electric account payments.
- 3 iv. Include the stub of each account's bill with the payment.
- 4 v. Note the amount being paid on each account's stub, especially if including
- 5 multiple accounts in one check.
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7 **VII. NON-PUBLIC SESSION**

8 **a. Non-Public Session #1**

9 **MOTION:** Fran Newton

10 *To enter Non-Public Session for the purpose of NH RSA 91-A:3, II(b), The hiring*

11 *of any person as a public employee.*

12 **SECOND:** Andy Fitch

13 **ROLL CALL VOTE:** 5-0

14 **MOTION PASSED:** The Board entered Non-Public Session at 3:56 p.m.

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16 **VIII. PUBLIC SESSION -- The Board returned to public session at 4:41 p.m. No**

17 **decisions were made.**

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19 **IX. NON-PUBLIC SESSION**

20 **a. Non-Public Session #2**

21 **MOTION:** Kathleen DeWolfe

22 *To enter Non-Public Session for the purpose of NH RSA 91-A:3, II(a), The*

23 *dismissal, promotion or compensation of any public employee or the disciplining*

24 *of such employee.*

25 **SECOND:** Fran Newton

26 **ROLL CALL VOTE:** 5-0

27 **MOTION PASSED:** The Board entered Non-Public Session at 4:48 p.m.

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29 **X. PUBLIC SESSION -- The Board returned to public session at 5:31 p.m. One**

30 **decision was made, to take the Finance Officer, Katherine Davis, off probationary**

31 **status.**

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33 **XI. ADJOURNMENT – The meeting was adjourned at 5:32 p.m.**

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35 *Notes provided by Mardean Badger*