

1 MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS OF THE  
2 MILFORD AREA COMMUNICATIONS CENTER

3 February 19 & 22, 2019  
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5 **PRESENT:** Chairman Jay Wilson, BOG Town of Mont Vernon  
6 Vice Chairman Jim Cutler, BOG Town of Wilton  
7 Craig Frye, BOG, Town of Milford  
8 Darlene Bouffard, Recording Secretary  
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10 1. Call to Order: Jay Wilson called the meeting to order at 5:15 p.m.  
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12 2. New Business. C. Frye indicated his concern about the surplus money for MACC Base. He would like to get a  
13 better view of it; the audit is usually done in the April or May timeframe, he feels we should get it done before April  
14 so that the money can be returned to the towns earlier. C. Frye noticed there is \$103K in liquid assets, so why is that  
15 not being returned to the towns? He also spoke to Jack Sheehy, Finance Director, who provided some information.  
16 J. Wilson said if the auditor did some strange things, the audit would need to be looked at. C. Frye did not under-  
17 stand the numbers. J. Cutler said there were also questions on depreciation. J. Wilson said when MACC Base had  
18 money remaining, the amount would be taken out for special items that had already been purchased but not paid for.  
19 J. Cutler said the budget committees were involved in that decision. C. Frye indicated the surplus should be the mon-  
20 ey not spent. J. Wilson said there is about \$50K that needs to be left to carry into the next year and \$50K was put  
21 into maintenance instead of new equipment. J. Cutler said whatever is left gets discussed and if there are any small  
22 items needed, we decide if we want to spend the money and the budget committee members come in to be a part of  
23 that discussion.  
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25 J. Wilson asked if the current assets are liquid or hard assets? C. Frye said it is including everything. J. Wilson said  
26 the budget should not be handled like a business. C. Frye said emergency money would be carried over, but if we  
27 have \$250K in the bank, that is too much to carry over. And it keeps getting bigger. That is a lot to have in the bank  
28 for an emergency. A little is good but that is a lot of money. J. Wilson said that could be for the generator which is  
29 not yet complete and costs \$25K, the recorder is also waiting on something. C. Frye noted that J. Johnson is not  
30 available tonight, as he is attending training. J. Wilson said with operating expenses, the depreciation throws it off,  
31 so how do we depreciate equipment? C. Frye said that has been done for a long time for taxes you have to do that.  
32 J. Cutler said MACC Base is not a profit organization; we also called out the depreciation last year. J. Wilson wants  
33 to know if the money in the bank is for emergencies or does that include the assets? J. Cutler said it does not show  
34 what is against it. C. Frye said the total goes up each year.  
35

36 J. Wilson said the budget for 2018 included benefits for the employees, the payroll and assets are all added together,  
37 that is part of the surplus that gets sent back to the towns. J. Wilson remembers that the family health plans have to  
38 be budgeted in case any employee uses a family plan so there may be some of that not used when employees left. C.  
39 Frye said that is why he is asking the question and why the towns are only being given a portion of the surplus.  
40 Maybe we can set up a meeting with the auditor to find out what the number actually is. J. Wilson said we had the  
41 same questions last year, the balance sheets from the town are very different from what J. Johnson has provided. If  
42 we have questions on the surplus, we should not take a vote on pay out tonight. The question is why is depreciation  
43 used and why is the surplus different. The audit was so confusing last year, so we want to consider a different audi-  
44 tor. We need to have a municipal auditor and there are only four in NH. J. Wilson said the way the costs are calcu-  
45 lated do not make sense. The retention numbers need to be carried to the next year. We should finish this discussion  
46 on Friday morning, including J. Johnson to have him explain the numbers. J. Wilson asked if this should be brought  
47 to the Boards of Selectman of the different towns? C. Frye indicated he will bring this to the Milford BOS. This  
48 meeting will continue on Friday, February 22 at 8:00 a.m.  
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50 J. Wilson moved to continue this meeting to Friday, February 22. C. Frye seconded. All were in favor. This meet-  
51 ing was adjourned at 5:50 p.m.  
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53 3. Meeting Continuation February 22, 2019. J. Wilson called the meeting to order at 8:05 a.m. on Friday, February  
54 22, 2019 as a continuation of the meeting of February 19, 2019. MACC Base Director J. Johnson was in attendance,  
55 as was Milford Town Administrator Mark Bender, Milford Finance Director Jack Sheehy, Budget Advisory Com-  
56 mittee members Rodney Richey and Chris Labonte.  
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This is a continuation of the MACC Base Board of Governors meeting held on February 19, 2019, at which there were many questions requiring an answer regarding the surplus. J. Wilson asked J. Johnson how the numbers were reached? C. Frye expanded on his concern on the surplus left in case of an emergency, it reflects in the General Fund account. J. Johnson said on December 31, 2018 the surplus was the number he provided. C. Frye indicated there is \$228K in cash and in January 2019 that account shows \$333K to start the year. J. Johnson indicated the town portions of the contract have been added to that account, except for Wilton. J. Johnson said the numbers were provided from the auditor and indicated that he is not an accountant. Mark Bender said the numbers should be the same as what is on the statements provided by the Town of Milford. J. Wilson asked J. Johnson to show where the numbers are (that were provided) from the monthly statements.

J. Johnson reviewed the statement and in December 2018, the general business account shows \$228K. J. Wilson asked if there is anything outstanding after that? J. Johnson responded there could be some small things that had not come through yet. J. Wilson asked what is the \$242K? Mark Bender said the financial statements balance sheet shows the cash balance, identifies current liabilities and accounts payable of \$42K. Finance Director Jack Sheehy presented a spreadsheet that might help, he reviewed the financial statements, which he said are not audits, and he has an issue with them because they do not add up. He would like to see the back up data for 2018. MACC Base has a considerable amount of money in the current assets (cash). His spreadsheet shows the history from 2013 through 2018, it shows that cash year to year is increasing when there should be minimal cash, it shows 2013 with \$10K, 2014 with \$19K, 2015 with \$15K, 2016 with \$87K and 2018 with \$204K. The payroll has to be taken out, but it is growing. The net is just over \$200K and is cash.

J. Johnson said there is \$35K that is not expended, for the town hall generator and the microwave warranty. Mark Bender asked if the microwave has already been purchased? J. Johnson answered the first part has been, but the installation is not done yet. J. Wilson wants to find out what the numbers reflect. The deposits should be reflected somewhere. We should be able to track back what those numbers are. There is money coming in, we should be able to figure out where that money came from and also where money was carried over. M. Bender asked what the warranty is on the microwave? J. Johnson answered it comes with a 90 day warranty, the extended warranty is five years. Jack Sheehy said the issue is not just one year, the issue is more money has been taken in than what is being spent. What is left over at the end of the year goes back to the towns. It is more than one year, it is multi-year. You spend less than what is taken in.

J. Wilson said we have to go back through the years and find out where the income came from and figure out how these numbers got here. J. Cutler said the auditor does the report and tells the Board of Governors what has to be returned (to the towns). C. Frye said \$197K was showing as cash at the end of last year. The BOG is asking if the auditor is doing the audit for a municipality or for a business. Anything before 2015 has a smaller balance. At the end of the year, MACC base should return surplus going into the next year. There should be some cash to start the year, it is in 2016, 2017, 2018 that amount started growing for some reason. J. Johnson feels it is an accounting error, C. Frye said it has been there for a while and it was not caught. If you go to 2015, we bought the radio consoles in 2015, but after that the cash keeps increasing. Mark Bender pointed out page 2 of the financial report, where it is signed, and states the cash balance was verified in the amount of \$240K and \$14K was recommended to be returned. This would continue an ongoing retention of cash. The reimbursement for 2017 would have no impact on the surplus in 2018. J. Johnson said when the auditor does his report, he provides what is requested. J. Cutler asked how long this auditor has been doing MACC Base audits? J. Johnson said about 10-15 years, since before he was here. J. Wilson asked if it looks like he is doing the audit as a business and not a municipality? J. Johnson is going to set up an appointment to sit down with the auditor, who was not available today. The generator and microwave was \$28K and there was a credit. C. Frye said \$35K would be in the bank for stuff to be purchased. Mark Bender asked if the auditor is a CPA? J. Johnson believes so. J. Wilson asked if there is anything else that was carried over? J. Cutler asked what changed that caused a higher balance to be carried forward? Jack Sheehy said in 2015, there was \$100K addition and then in 2016 and 2017 there was \$50K in each year. J. Wilson said there were no emergency repairs, we did not have anything unusual. C. Frye said to meet with the auditor, we need the final budget for 2018 available. We have all the prior years but not 2018. If there was something never taken out, it would keep growing. J. Wilson wonders if the auditor was not looking at the equipment replacement line. C. Frye said there is \$150-200K in question. If we take out what we still need to pay out, the number is still over. J. Johnson indicated something changed from 2017 to 2018. C. Frye said once we find out why, the numbers would not change.

C. Labonte asked if it started to grow in 2016, 2017 and 2018? Jack Sheehy responded that is correct. Chris Labonte has looked at the Board of Governor's minutes to review all the reports, but the numbers have not been includ-

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ed, Chris wants to know where the money is but Milord has not sent the numbers. J. Wilson said all the towns have seen the numbers, not just Milford. C. Frye read the BOG handbook and the audit and then he wanted to know why there is that much money in the checking account, fresh eyes sometimes see different things. C. Frye researched and found that it is all there. With fresh eyes and being a new member, C. Frye saw it, it is all of the town's money, this can be corrected. Sometimes that is what Boards do, new people see different things. This organization needs to give the money back, some money needs to be held from year to year, but this is more than what is needed. Chris Labonte, as a Milford resident, asked why didn't the past Milford representative catch this? C. Frye said this is the same auditor that has been doing this for years and because Craig is a new member he saw something that did not look right.

J. Wilson said 2016 was the year when new equipment was cut and the amount was moved into the repairs line item, which would account for that carry over. Jay thinks that might be part of the answer. That needs to be asked of the auditor. Mark Bender said it appears there is \$112K that was retained or re-allocated, but last year the correct amount was returned. J. Wilson asked what is in the checking account today? Jack Sheehy answered \$333K. J. Wilson said at the end of December 2018 there was \$242K, then in January the payments were added in as deposits from the towns. J. Wilson said we need the final year end statement from December 2018. He thinks the auditor is looking at the budget like a business. In past years, there was retention for insurance, we should not carry that amount of money. J. Johnson suggested finding out when the auditor is available then set another meeting. J. Johnson will contact the auditor today. J. Wilson said a day next week for a 5:15 p.m. meeting would work for him. J. Johnson has a conflict on March 6. The BOG tentatively set a meeting for February 27 at 5:15 or a meeting March 6 or 7 during the day. He will wait to hear from the auditor for a final date.

Jack Sheehy suggested a new financial statement be produced; we are raising more money than what is being spent. If you are asking for more money than what is being spent, you should re-evaluate the budget. J. Wilson said we talked about that in November. J. Johnson said he has to budget for an entire year of health insurance for the highest premium. J. Wilson explains all the extra money being raised for the year in his budget in case something happens. C. Frye said in an emergency, MACC can go to the towns to ask for more money and the towns would have to hold a special town meeting. J. Wilson said the question is how much do we carry and have available? J. Wilson said we have to carry enough to get into January. He thinks the carry over was mostly because of the change for equipment. C. Frye moved to find out about the surplus before anything is decided. Mark Bender said the last two years, MACC Base has under spent the budget by about \$200K so that should be looked at and lowering it should be considered. J. Wilson stated there are different reasons why the money was not spent, that was why the \$50K was carried over – in case of an emergency, we should not adjust the budget right away. Jack Sheehy said MACC Base cannot carry that amount over, it has to go back to the towns if it is not spent. Chris Labonte disagreed with Mark Bender about lowering the budget. Municipal budgets run closer to zero. At the end of the year, they can go spend it, where MACC Base does not spend it. Mark Bender said if you constantly under spend every year, you have to adjust the budget. J. Wilson said there are items in the budget that vary, like health insurance or fuel. Anything not used should go back to the towns instead it looks like it is being carried over.

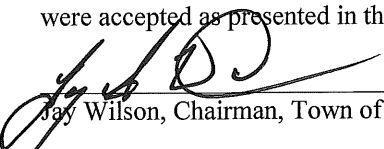
Police Chief Viola uses a run rate in his budget. Mark Bender said a full comprehensive audit over the last few years should be done. J. Wilson agrees a new auditor should go through the whole thing for the past few years. There was no further discussion. Chris Gentry, Granite Town Media, would like to set up the camera for future meetings and then we can send video to the other towns to distribute. C. Frye asked who the points of contact are for each town. J. Johnson indicated Wilton Town Administrator and Mont Vernon, Executive Assistant Laurie Brown.

4. Adjournment: J. Cutler moved to adjourn the meeting at 8:56 a.m. C. Frye seconded. All were in favor.

Respectfully Submitted,

Darlene J. Bouffard  
Recording Secretary


The minutes of the meeting of the Board of Governors of the Milford Area Communication Center dated 2/19/19 were accepted as presented in the minutes of the next meeting.

  
Jay Wilson, Chairman, Town of Mont Vernon

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Jim Cutler, Vice Chairman, Town of Wilton

  
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Craig Frye, Member, Town of Milford