

MINUTES
STRAFFORD REGIONAL PLANNING COMMISSION
EXECUTIVE COMMITTEE MEETING
July 11, 2008
Conference Room
Strafford Regional Planning Commission
2 Ridge Street
Dover, NH

Members Present: Larry Brown, Chairman, Milton; C. Thomas Crosby, Secretary-Treasurer, Madbury; Lou Vita, Middleton; Bruce Woodruff, Milton; Sandra Keans, Rochester; Kenn Ortmann, Rochester.

Members Absent: Edmund Jansen, Jr., Vice Chairman, Rollinsford, NH; Frank Torr, Dover.

Others Present: Sheryl Stephens-Burke, Melanson Heath & Company, PC.

Staff Present: Cynthia Copeland, Linda Osburn.

Chairman Brown called the meeting to order at 7:43 AM.

1. Minutes

Chairman Brown entertained a motion to approve the minutes of the June 13, 2008 Executive Committee meeting as written. Ortmann made the motion to approve the minutes of the June 13, 2008 Executive Committee as written. Crosby seconded the motion. Chairman Brown requested two corrections: to change “Suzanne Brown ” to “Susanne Brown ” under Others Present and change Michelle Beauchamp and Julie LaBranche from Staff Present to Others Present. Ortmann amended the motion to approve the minutes of the June 13, 2008 Executive Committee minutes with the requested changes. Crosby seconded the motion. The motion passed unanimously.

2. Draft Financial Reports June 2008

Copeland reviewed the draft June 2008 financial reports and discussed contract income, expenses, receivables and cash flow. She noted the draft net income of approximately \$30,000 and stated the need for adjustments for salary and vacation accruals and doubtful accounts. Copeland reviewed the Income by Customer report and noted the general ledger entry of the remaining dues into income of \$28,085.15. Copeland reviewed the draft accounts receivables as of June 30, 2008 totaling \$95,143.67. Osburn stated the invoices totaling \$57,469.94 representing the FY 2009 dues had been removed from June 30, 2008 receivables as their inclusion would overstate the assets as of June 30, 2008. Copeland reviewed the draft accounts payable as of June 30, 2008 totaling \$4,744.52.

3. Draft Financial Reports FY 2008

Copeland reviewed the draft financial FY 2008 reports and discussed contract income, expenses, receivables and cash flow management. She discussed the Income by Customer report that listed all contract work for the fiscal year. Chairman Brown asked if the report could be used to demonstrate to the communities the amount of work done by Strafford Regional Planning Commission. Copeland noted the use of local dues used to match federal dollars and the remainder taken into income at the end of each quarter.

4. Draft FY 2007 Audit

Chairman Brown asked about the draft management letter included with the draft FY 2007 audit. Ortmann explained the management letter was a part of the audit package. Chairman Brown discussed the Current Year Recommendations listed on Page 3 of the Management Letter and referenced the Committee of Sponsoring Organization's (COSO) report outline of five components of effective internal control listed in the letter: Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring. Sheryl Stephens-Burke of Melanson Heath & Company, PC joined the meeting at 8:14 AM, and all members introduced themselves. Stephens-Burke reviewed the management letter stating that new auditing standards (SAS 112) required independent auditors to report issues to the governing body in writing for the governing body to evaluate the cost/benefit of the issues and whether corrective action should be taken. She discussed the COSO model of internal control and stated the new audit standards apply to every company included non-profit and governments, as stated public companies have already been following the standards. Stephens-Burke stated there were three recommendations that most clients were receiving this year: improve controls of financial reporting; document components of internal control; and establish internal audit function. She stated that SRPC already had control of financial reporting and needed to document the policies, procedures and controls over key financial transactions including cash, receivables, purchasing, vendor disbursements, employee benefit/payroll disbursements, general ledger maintenance and entity-level controls in a manual, and establish an internal audit function to properly monitor operations and assess risk of misstatement of the financial statement caused by errors or irregularities. Woodruff joined the meeting at 8:15 AM. Vita stated the term "significant deficiency" gave a negative impression, and Stephens-Burke stated that the audit was a clean audit and SRPC management could respond in a formal document. Discussion of the internal audit function ensued. Stephens-Burke suggested the internal audit function could consist of monthly bank statement be reviewed and signed, invoices and transactions be reviewed and signed and the monthly balance sheet accounts be reviewed, documented and signed. Copeland asked the federal dollar threshold requiring a single program audit, and Stephens-Burke replied it was currently \$500,000.

Stephens-Burke reviewed the draft Annual Financial Statements for the year ended June 30, 2007 beginning with the Independent Auditor's Report. She stated this was a clean opinion and would be signed when the client accepts the report. Stephens-Burke reviewed the Management's Discussion and Analysis that provided an analysis of the financial activities for the year ended June 30, 2007 including government-wide financial statements, fund financial statement and governmental funds. She reviewed the draft financial statements, notes to the financial statements, report on internal control over financial reporting, and schedule of project activity. Ortmann discussed the new auditing standards' effect on staff work and the increased audit cost. Chairman Brown discussed the implications if the recommendations were not implemented due to a cost benefit decision. Stephens-Burke stated the recommendations would be made every year until implemented.

Stephens-Burke reviewed the draft Independent Accountant's Report regarding the provisional indirect cost rate by direct salary hour, percentage of direct payroll, and percentage of total direct

costs for the year ended June 30, 2007. Osburn stated she would supply the report to the NH DOT for reimbursement of indirect expenses from the 2006-2007 UPWP contract. Keans asked if the report would be used in negotiating contracts. Copeland responded that the billing rate used is composed of direct salary and indirect expense.

Woodruff made a motion to accept the FY 2007 audit. Crosby seconded the motion. The motion passed unanimously.

Chairman Brown asked if the audit would be on Melanson Heath & Company, PC letterhead and be obtained by the public. Stephens-Burke replied that the audit was public information. Ortmann asked about the tenure of one auditing firm and the possibility of rotating partners within the firm. Stephens-Burke stated that it was possible to rotate auditors and partners within the firm or seek another firm. Ortmann stated the disadvantage of engaging a new firm was a learning curve and the advantage was a fresh look at the financial statements. Ortmann stated he would rely on Treasurer-Secretary Crosby's advice regarding seeking a new auditing firm. Stephens-Burke suggested documenting the discussion and considerations. Stephens-Burke left the meeting at 8:44 AM.

5. Charge Off Invoices

Copeland discussed the outstanding invoices report and the concern about collecting from the following invoices:

- 4523 \$135.00 Town of Milton
- 4524 \$157.50 Town of Milton
- 4525 \$167.50 Town of Milton
- 4526 \$337.50 Town of Milton
- 4557 \$ 56.25 Town of Milton
- 4558 \$ 67.50 Town of Milton
- 4559 \$303.75 Town of Milton
- 4560 \$202.50 Town of Milton
- 4561 \$ 90.00 Town of Milton
- 4563 \$ 90.00 Town of Milton
- 4564 \$ 22.50 Town of Milton
- 4565 \$ 45.00 Town of Milton
- 4588 \$ 45.00 Town of Milton

Chairman Brown stated there was no escrow account from the developers for third party reviews but the Town of Milton would continue to attempt collection. Ortmann suggested the invoices be written off for auditing purposes.

Ortmann made a motion to charge off Invoice #4523 in the amount of \$135.00; #4524 in the amount of \$157.50; #4525 in the amount of \$167.50; #4526 in the amount of \$337.50; #4557 in the amount of \$56.25; #4558 in the amount of \$67.50; #4559 in the amount of \$303.75; #4560 in the amount of \$202.50; #4561 in the amount of \$90.00; #4563 in the amount of \$90.00; #4564 in the amount of \$22.50; #4565 in the amount of \$45.00; #4588 in the amount of \$45.00. Crosby seconded the motion. The motion passed unanimously.

Copeland requested the item order of the agenda be modified due to the Strafford Metropolitan Planning Organization (MPO) meeting scheduled to begin at 9:00 AM. She requested item #9a: Metropolitan Planning Organization (MPO) Business be discussed before item #6: General meeting Workshop dates for next fiscal year. The committee members consented.

9. On going and Emerging Regional Planning Issues Roundtable

a. Metropolitan Planning Organization (MPO) Business

Copeland discussed the following memorandum:

1. Memorandum dated July 2, 2008 regarding the request from the NH Department of Transportation (NH DOT) to approve the June 2008 Monthly Minor Revisions (informational revision). Copeland stated this was an informational revision (Estimate or FY funding increased) regarding Statewide USSS-Project 2735: Update Signing on State System (Annual Project) that was previously listed in 2007-2010 for 2.040 million now listed in 2007-2018 for 6.365 million. She referenced the Strafford MPO Prospectus (pages 48-49) that was recently revised and adopted on May 29, 2008 at the Strafford MPO Policy Committee meeting that stated, "In the Strafford MPO the Executive Director has the authority to review Information Only changes. The Executive Director may request the advice of members of the MPO Technical Advisory Committee to complete this review. The Executive Director will make recommendations to the Executive Committee for their concurrence or disapproval of Information Only changes, and for a procedural change from Information Only to Administrative Modifications or Amendments. The Executive Committee will issue a letter to the NHDOT indicating their decision. Copies of these letters will be provided to members of the TAC and MPO." Copeland stated that based on these procedures, the Executive Director recommended approval to the Executive Committee of this change in the project as proposed and asked for their concurrence.

Keans made a motion to concur with the approval of the informational revision regarding Statewide USS-Project 2735: Update on State System (Annual Project) as recommended by the Executive Director. Ortmann seconded the motion. The motion passed unanimously

Woodruff asked where the increased funds were coming from, and Copeland replied it was from NH DOT funds. Copeland requested the return to the agenda items as scheduled. The committee concurred.

6. General Meeting Workshop Dates and Locations

Copeland discussed the suggested General Meeting/Workshop Dates that would be open to the public and local community officials. She reviewed the following suggested topics and dates:

August 2008 – for Town Meetings in March 2009:

1. Required Zoning Ordinances such as Workforce Housing SB 342, Growth Management HB 1260, and Comprehensive Shoreline Protection Act RSA 483-B.
2. Voluntary Zoning Ordinances such as Establishment of Housing Commissions HB 1259 and Expansion of Conservation Commission authority SB 381.

October 2008 – Local Housing and Regional Housing Needs Assessment

February 2009 – Conservation Stewardship cooperative meeting with Strafford Rivers Conservancy, Strafford County Conservation District and Office of Energy and Planning

March 2009 – USGS Groundwater Study results cooperative meeting with Department of Environmental Services Coastal Program.

Copeland discussed the suggested August 2008 workshop listed and stated she would like to participate in conjunction with the Local Government Center regarding the required zoning ordinances. She stated the required zoning changes might be incorporated with the Law Lectures that the Local Government Center sponsors but the lectures would be held too late for placing items on the

agenda for the annual town meeting. Ortmann asked if another topic would be considered by staff for the August 2008 workshop if the required zoning ordinances are not the topic. Vita asked about the required number of meetings. Copeland explained the business items dominated the SRPC Commissioner/Strafford MPO Meetings, and the workshops were scheduled for educational programs and discussion. Copeland stated she would contact the Local Government Center again.

7. Executive Director Report

Copeland stated that she had already discussed financial statements. She discussed the sample project cost estimator worksheet that listed date, budget, scope of work and staff billing dates while allocating staff hours and direct expenses to contracts. Copeland stated this would be used to better manage time and contract expenses.

8. Executive Director Evaluation

Ortmann stated the review committee met twice and would need two additional meeting to reconcile all the data. He stated this should be accomplished by the August 8th Executive Committee meeting. Ortmann discussed the challenge of the multi-generational workforce with different approaches and priorities.

9. On going and Emerging Regional Planning Issues Roundtable

b. Water Resources: USGS Groundwater Study

Copeland stated she had been meeting with a USGS study group working on fact sheets and how to use the data in planning. She stated the group members are from the NH Geological Survey, NH Department of Environmental Services and community representatives and planners. She stated the fact sheets should be available this fall and had tentatively scheduled a workshop in March 2009.

10. Other Business

Copeland distributed the NHARPC Legislative Priority Policy Areas 2008 Legislative Session list and requested the committee members review, edit and make changes to the list by September. She stated the list organized the policies under four general categories of sustainability, prosperity, mobility and livability and would be sent to all SRPC Commissioners. Copeland requested the item be placed on the August agenda for discussion and approval. Woodruff questioned the connection between prosperity and workforce housing. Vita questioned the measures to mitigate climate change. Ortmann suggested energy audits as an example. Chairman Brown referenced the Society for the Protection of NH Forests' (SPNHF) value of a tree as an air conditioner as an example. Keans asked about the regional wastewater to Great Bay report, and Copeland responded it was located in the support appropriate mechanisms for regional wastewater under the prosperity category.

Copeland stated NH's Right to Know Law regarding email should be discussed at the next Executive Committee meeting on August 8th.

No other business was discussed.

Chairman-Elect Brown entertained a motion to adjourn. Woodruff made a motion to adjourn, and Ortmann seconded the motion. The motion passed unanimously, and the meeting adjourned at 9:24 AM.

Respectfully submitted,

Linda Osburn
Bookkeeper

Minutes approved on _____, 2008.

By:



Larry Brown, Chairman