

*Wolfeboro Board of Selectmen  
Meeting Minutes Special Meeting  
December 18, 2023*

**Members present:** Chairman Brad Harriman, Vice Chair Luke Freudenberg, Linda Murray, Dave Senecal, and Brian Deshaies.

**Staff present:** Kathryn Carpentier, Finance Director, James S. Pineo, Town Manager, and Recording Secretary Amy Capone Muccio.

Chairman Harriman opened the meeting at 2:00 PM.

Non-Public Session RSA 91-A: 3

Mr. Pineo stated a non-public session is needed to discuss employment.

**1. Review and sign the letter to New Hampshire Department of Revenue for over expenditure**

Mr. Pineo stated that on December 6, 2023, the town proceed with the process outlined in RSA 32:11 Emergency Expenditures and Over expenditure. The town has been in contact with NH DRA along with the Town Attorney to draft a letter that outlines the facts. They have secured all but \$113,000 and optimistic they will close the gap, but at this point we need to have a plan if we have a weather event. He stated the Public Works Director has provided an average for a storm cost based on 12/2022 to March of 2023 (excluding fuel) at \$57,000 per month for a storm. This letter was presented to the Budget Committee on December 14, 2023, who discussed and have requested the Board of Selectmen sign the letter before they do. He explained that this is a result of a timing issue, he did not catch with the MOU between the Town and the Friends of Pop Whalen. He noted it was caught by the friends, the Board or Bond Counsel either, but lesson learned out of this is that the Town can not continue a practice of fronting money on public/private partnership projects. He stated there are two ways to use unassigned fund balance, either to pay down the tax rate or for projects. He stated at this point time is running out and this letter needs to be submitted to NH DRA.

Mrs. Murray clarified the Budget Committee received a full packet at their meeting December 12, 2023, where they were asked to review the information, on December 14, 2023, the draft letter was presented to the Budget Committee.

Mr. Deshaies stated he has no issue with the letter other than he would like it to be more culpable. We have made an error, and we are asking for assistance.

Mrs. Murray stated when she was on the phone with the Commissioner, she understood that they needed to send as much information as possible.

Mr. Deshaies stated he had a tough time understanding the explanation provided and reached out to NH DRA for better clarity, what he shared made him a lot more comfortable.

Mr. Pineo stated if he asked him for more explanation, he would have provided it.

Mrs. Murray agreed she would prefer the requests for information to go through the Town Manager and shared with all Board members.

Mr. Deshaies disagreed and feels everyone has a right to get information.

Ms. Carpentier stated that the information Mr. Deshaies received has a lot of errors in it and she can provide him with the information. She questioned why he needed to contact someone when the town already did.

Mr. Deshaies replied the person who provided the information, consulted with Samuel Green and he feels there is a disconnect and wanted to get everyone on the same page.

Mrs. Murray stated with the information she was provided she can understand what happened. They had a shortfall in the donated funds. The town booked the revenue to the wrong place, creating the shortfall but in the meantime, they have received the check.

Ms. Carpentier clarified the spending and revenue needs to be together.

Mrs. Murray further clarified that we were not able to do that so, the shortfall was covered by the unassigned fund balance therefore not leaving enough funds to cover the roads of \$850,000. If the funds had come in, in 2022 we would not have had this problem; that is the mistake.

Mr. Deshaies stated as a town we made the mistake, we need to own it.

Chairman Harriman stated that he feels the letter should contain the facts and timeline and they don't need anything else beyond that.

Mrs. Murray agreed the town made a mistake, and she can explain with the documents provided to her. She agreed it's a mistake she did not catch and that in the future she knows what needs to be done so it doesn't happen again, such as unassigned fund balance should only be used to buy down the tax rate and public/private partnerships with donations should have the cash or pledges in hand before spending.

Mr. Deshaies agreed and pointed out Wolfeboro Single Track never provided access to their financials.

L. Freudenberg and D. Senecal agreed the letter should be simple.

Mr. Pineo stated this letter has caused stress and turmoil in our department and the concern about what may happen in the next 13 days.

Mrs. Murray stated that she wants the public to understand there is not missing money and the town believes transparency is important.

Mr. Deshaies, the letter is a public document, and it should be understood there is no missing money or misappropriation, and the issue is the funds for Pop Whalen came in later. There is nothing to hide.

Ms. Carpentier questioned the need to apologize.

Suzanne Ryan addressed the Board and stated that they need to take ownership, we understand there was no malice intent, it was an accident, but the average person needs clarity as to what happened. She noted that she is upset at all that was done for Pop

Whalen, which turned out to be a financial nightmare that has come back to bite us.

Anne Blodgett agreed, the town needs to take ownership of the mistake. She does have a concern about how this affects those future public/private partnerships because they are important to the community.

Bobbi Boudman stated that as a member of the Budget Committee she is careful to be speaking in her own opinion and deferred to her email sent to the Town Manager.

Mrs. Murray stated that she agrees in coming clean, she is fully aware and understands what happened and this is the next step in getting approval to spend over the bottom line of the budget, she is not sure that the letter needs to say anything more than that.

Ms. Blodgett questioned if not in the letter, then could a press release be done to dissipate the doubt. The press release would include a copy of the letter.

Mrs. Murray replied she has no problem with a public statement.

Mr. Deshaies stated he would agree to that.

Mr. Freudenberg stated he would agree to that, he just feels the letter is a formal letter explaining the facts and that is what it should be.

Mr. Deshaies feels the letter he received from DRA (Adam) makes it clear it was an error and not malicious.

Mrs. Murray stated that her concern with that is that the Town Manager and Finance Director were already discussing this with someone else from DRA, and his response from DRA was different from theirs and she has a concern with that.

Ms. Carpentier stated that she had found several mistakes in that letter Mr. Deshaies received.

Ms. Ryan stated she does not have a problem with Mr. Deshaies seeking information to get clarity. She stated that she does have an issue with the double standard, between the Libby Museum project which had funds available, but something different was done for Pop Whalen because it was political. She feels the letter should say the town made an error and we are asking for forgiveness.

Mrs. Murray stated she feels that requests should go through the Town Manager and distributed to all Board members.

Mr. Deshaies stated that the Pop Whalen project was fast tracked with issues from the start, which is what got us into this situation. They need to do better in the future.

Mrs. Murray agreed, in the future they need to have their eyes on everything, she just wants the request to go through to the Town Manager first.

Ms. Blodgett stated that she feels by being transparent and open the town would get more empathy for what happened. She feels the public is confused and one public statement would make it clear.

Mr. Freudenberg agreed and has no problem with transparency but is fine with how the letter is written.

Mrs. Murray stated that the explanation can be found by reviewing all the documents. She does know how she will proceed in the future to correct the mistake.

Ms. Blodgett replied, but the public wants to know the town is fixing it and it won't happen again.

Mr. Deshais disagreed that it is not that easy to understand, he's learned a lot as a Selectmen but not as much knowledge and understanding as Mrs. Murray who has been Selectmen for a lot longer.

Ms. Boudman stated that the public needs to understand no funds are missing, money wasn't stolen, and it was an accounting error. She felt it was like a puzzle with the way the information came in and she does not see anything wrong with taking the position in the letter to apologize for the mistake. She stated she also feels Mr. Deshaies did not do anything wrong and the town needs to be sure the \$598,000 comes to the Town and is accounted for.

Mr. Deshaies stated that if Ms. Carpentier said the dates are correct in the letter, that needs to be clarified that DRA has the right information. He noted DRA said they would come to Wolfeboro to explain the process.

Mr. Carpentier stated she would like to discuss that with them and is concerned about the clarity of the rules as we go along. She stated the town fought DRA on this and lost, but previously this year when DRA disapproved the Community Playground funding because it was a school project, the town fought it and won. She stated that at this point they need to get past this letter to move forward.

Chairman Harriman stated at this point the letter language is guided by the RSA and feels they could subsequently do a public statement explaining what happened.

**It was moved by Brian Deshaies and seconded by Linda Murray for the Board of Selectmen to sign the letter to NH DRA request to overspend the 2023 budget as written and submitted at this meeting, the Board of Selectmen will also provide a public statement explaining the error that led to this over expenditure before the end of the year. Members voted, being all in favor, the motion passed.**

Being no further business before the Board, Chairman Harriman entertained a motion to enter into nonpublic session.

**It was moved by Luke Freudenberg and seconded by Linda Murray to enter into nonpublic session under RSA 91:A III; employment at 2:52 PM. Roll call voted: Linda Murray-yes, Luke Freudenberg-yes, Brian Deshaies-yes, Dave Senecal- yes and Brad Harriman-yes. The motion passed.**

The Board re-entered public session at 3:21 PM.

**It was moved by Dave Senecal and seconded by Linda Murray to seal the minutes of the December 18, 2023, nonpublic meeting. Roll call voted: Linda Murray-yes, Luke Freudenberg-yes, Brian Deshaies-yes, Dave Senecal- yes and Brad Harriman-yes. The motion passed.**

Being no further business before the Board, Chairman Harriman entertained a motion to adjourn.

**It was moved by Dave Senecal and seconded by Luke Freudenberg to adjourn the meeting. All in favor, the motion passed.**

Respectfully submitted,

Amelia Capone Muccio