



**Minutes of the Meeting of the Connecticut River Joint Commissions
City Council Chambers, City Hall
Lebanon, NH
May 3, 2010
12:30 – 4:00 PM**

Attending:

NH Commissioners: Nancy Franklin, Mary Sloat, Glenn English, George Watkins, Cleve Kapala, Cheston Newbold, Bill Roberts, Bob Harcke, Bob Christie, Hank Swan, Janet Rebman, and, by telephone, John Tucker.

Vermont Commissioners: Beverly Major, Joe Sampson, Brendan Whittaker, Steve Walasewicz; Nat Tripp, Jim Matteau, Peter Gregory, Tom Kennedy, Steve Long, Gayle Ottmann, and Rick Hopkins (filling in for Michaela Stickney, as appointed by the Secretary of ANR)

Staff: Sharon Francis (until the break)

Guests (until the break): John Gregg of the *Valley News*; Bernie Folta, Claremont; John Lawe, former Commissioner from Norwich

Chair: Nancy Franklin

- 1. Taker of Minutes:** Mary Sloat moved that Beverly Major take the minutes of this meeting. George Watkins seconded. Unanimous.
- 2. Minutes of March 29, 2010:** Gayle Ottmann motion to approve, Brendan Whittaker second. Unanimous.
- 3. Revision to Agenda:** Chair Nancy Franklin suggested adding a discussion of New Hampshire Charitable Foundation to the agenda after the non-public meeting. Glenn English moved that the New Hampshire Charitable Foundation discussion precede the non-public session. Steve Walasewicz second. Unanimous.
- 4. Discussion of New Hampshire Charitable Foundation:** Nat Tripp initiated the discussion, saying that on March 26 he and Adair Mulligan were in Colebrook to present a well attended program on the Byway. Among the attendees were selectmen from Colebrook, who wanted Nat and Adair to view the additional twenty feet eroded from the bank at the Colebrook Industrial Park. Nat reported the selectmen were furious at CRJC because they had heard that CRJC was spending monies set aside for the restoration project on organizational administrative expenses. All this Nat reported to the Commission at the March 29 meeting. Sharon Francis said she wanted to clarify. We have a signed Memorandum of Understanding with the Colebrook Selectmen committing \$160,000 from various sources for the project. All

except \$43,000 of that \$160,000 is to come as reimbursement for work done. The Tillotson grant of \$43,000 will come after EDA approves the award and is the only NHCF funding CRJC has committed to the Colebrook project. Sharon has provided Colebrook officials and Mike King of the North Country Council with the list of sources for the \$160,000 commitment.

**Adair Mulligan sent the following comments after reading the above:

"As you know, I participated in the March 26 visit to Colebrook with Nat, and was privy to the entire conversation with the Colebrook officials to which the minutes refer. My recollection of the meeting at the riverbank was that Beno Lamontagne reported that "some in Colebrook" (by this he was referring to some board members of the Colebrook Development Corp, the landowner at the business Park, some Colebrook citizens, and possibly selectman Roland Cotnoir) were upset (I didn't hear the word furious) that CRJC had gone ahead with the restoration of the lower Mohawk before addressing the severe erosion at the business park. This was the subject of their concern. I explained to them that we had gone ahead because the full funding was available to do so, and that we could not proceed at the business park without EDA approval, which they all knew we did not yet have. Town Manager Donna Caron supported my statement to the group. Nat added that the M&E fund grant had also been to address the cause of the erosion (lower Mohawk) before the business park, although because M&E had no stake in the business park project (declined to supply funding), that could not have been an actual condition of the grant we received.

There was NO reference to questions about CRJC's use of the funding until we were about to leave the business park, when Beno took us aside and discreetly asked about it. I said that I would ask Sharon to get back to him immediately on that question to lay it to rest. Unless Nat heard something I didn't (and we were together the entire time), the account in the minutes is incorrect. I have spoken with Nat about this."

Nancy Franklin then summarized the happenings of the past two weeks. On April 22 she and Sharon traveled to Concord to advocate for CRJC's New Hampshire funding before the House Finance Committee.

On April 23, Katie Merrow of the Foundation called Sharon and Nancy asking to set up a meeting the following Wednesday with herself and Kevin Peterson. That meeting did take place. There were questions about the Mohawk and Mohawk/Colebrook projects. They pointed out that on the New Hampshire Charitable Foundation website, on the Community Relations page, there is a model accounting procedure outlining how, when there are multiple funding sources for a project, the accounting for each grant should be separated.

The New Hampshire Charitable Foundation people realize the difficulty CRJC has with cash flow. They questioned Sharon as to how work is accomplished and Sharon explained. They countered saying that, though they wanted to be helpful, grant funds paid out could not be used, even on a temporary basis, for costs other than those specified in the grant award. They suggested going to a bank with the DES contract in hand to get a loan to cover cash flow funds. They emphasized that Sharon herself is not to blame; the Commissioners should themselves take more responsibility for the organization's finances. Katie would like to meet, or talk, with Larry Reed and she was given permission to do so.

On Friday April 30 the Steering Committee and the Finance Committee held a joint meeting via speaker phone, where they learned that CRJC could not meet the April payroll, due that day. There was no immediate solution suggested. It was felt that Byway website design could be left to the Byway itself.

Late on Friday the New Hampshire Charitable Foundation withdrew three of the CRJC project grants, saying that they had determined the grant funds were not being used for the purposes for which they had been awarded.

Sharon has discussed the matter of a bank loan with Jeanne McIntyre of the Upper Valley Land Trust. They have received such loans in the past, but they do own some real estate as security, something that is not available to us. Sharon has also contacted an official at Mascoma Bank.

CRJC needs a business plan showing how grants can be managed in the short run, and how interconnected staff obligations can be met. Sharon is not comfortable going to a bank for a loan without a business plan explaining just how we will meet our obligations.

Nat Tripp then queried the Finance Committee about “the elephant in the room,” or exactly how much had been borrowed from restricted funds. Tom Kennedy reported that \$96,203 had been borrowed. Steve Long added that, in the first meeting of the Finance Committee, they had discussed borrowing and found that the amount then was \$75,000. They then instructed Sharon not to go beyond that amount.

Sharon agreed that the Finance Committee did so instruct her. The dollars spent were for standard office expenses and salaries.

Tom Kennedy reviewed the work of the Finance Committee. The first time they met they went over finances; they met with the accountant at their second meeting. He was surprised to learn about the use of restricted funds at the first meeting. He also learned about the difficulties in getting payment from the New Hampshire Department of Transportation, and there is disagreement with them over what indirect costs should be paid. Consequently Tom has been asking just when CRJC will get paid. There were also late payments and late invoices.

At the second Finance Committee meeting Larry reported that the organization has real financial problems and could be headed toward bankruptcy. CRJC needs to make all restricted funds whole by the end of the fiscal year on June 30. Tom feels that Commissioners still do not have the full picture on grants; they need that as part of their fiduciary responsibilities. And CRJC must know with certainty when DOT will pay before it can develop a short range financial plan. Sharon and Glenn English are going tomorrow (May 4) to NH DOT to resolve the issues. Sharon asked how much time NH Charitable Foundation will let us have to complete a short term business plan.

Joe Sampson expressed his displeasure with our accountant, who knew of the situation but did not convey its gravity to the board members.

Glenn explained that times have changed. The federal government in Washington has changed and is demanding more and more accountability. Furthermore, both states are broke and do not have the cash themselves to pay their obligations.

Steve Long would like more information on estimated income. He finds it hard to understand how CRJC could have incurred \$98,000 in various costs and still not be able to invoice. Sharon reported that not only must to wait to bill until after the completion of certain tasks, but even then some granting organizations do not make payment for months. In addition CRJC does need a plan as to how to meet ongoing obligations other than the amount owed NH Charitable Foundation. Where matters stand at the moment: There is a meeting with DES tomorrow. The Finance Committee must meet. Not to be forgotten is the fact that some grants will expire soon and we will lose them if we do not get extensions.

Sharon added that CRJC needs to develop plans to meet its ongoing obligations other than what is owed NH Charitable Foundation. The Commission should also consider getting (pro bono) legal advice. Janet Rebman commented that in the State of New Hampshire every lawyer is required to do some pro bono work each year; she suggested checking into such.

Tom Kennedy, for the Finance Committee, offered to call grantors to check on grant expiration dates and, where impending ones were found, to apply for extensions.

At this point in the afternoon there was a five-minute break, requested by commissioners, and all visitors not on the Commission left.

When the Commission came back together again, Tom Kennedy moved that the Commission go into non-public session for the purpose of discussing a personnel matter and also litigation. He cited New Hampshire Statutes 91-A:3, Section II (a) and (e). Mary Sloat seconded. There followed a roll call vote with the following voting Yes: Gayle Ottmann, Steve Long, Tom Kennedy, Hank Swan, Peter Gregory, Bob Christie, Bob Harcke, Bill Roberts, Cheston Newbold, Nat Tripp, Glenn English, Mary Sloat, Steve Walasewicz, Rick Hopkins (for Michaela Stickney),

Brendan Whittaker, Cleve Kapala, Jim Matteau, John Tucker, George Watkins, Nancy Franklin and Bev Major, Abstaining was Janet Rebman. There were no No votes.

At 3:55 Glenn English moved to come out of non-public session, reporting at the same time that several motions were made. Cheston Newbold seconded. The vote was unanimous in favor. Brendan moved that the minutes are to be sealed. Cheston seconded. As required there was a roll call vote, with over two-thirds of those present voting Aye: Gayle Ottmann, Steve Long, Tom Kennedy, Hank Swan, Peter Gregory, Bob Christie, Bob Harcke, Bill Roberts, Cheston Newbold, Nat Tripp, Glenn English, Mary Sloat, Rick Hopkins (for Michaela Stickney), Brendan Whittaker, Cleve Kapala, Jim Matteau, Janet Rebman, John Tucker, George Watkins, Nancy Franklin and Bev Major. There were no abstentions and no “No’s.” Steve Walasewicz had had to leave before the vote.

The one final piece of business was to appoint three new members of the Finance Committee. There were two volunteers at the meeting – Glenn English and Nat Tripp -- Glenn English was added, but the list was left incomplete, but with the hope that the remaining members would be appointed by the time of the next Finance Committee meeting.

The meeting was adjourned by Chairperson Nancy Franklin at 4:00.

Respectfully submitted,

Beverly Major, Secretary Pro Tem