

DRAFT Minutes for SPECIAL SELECTBOARD MEETING April 2, 2014

PRESENT: Mo Lavanway, Maureen Harvey, Amy Scharf, Dick Charland, Marty Wells, Kym Andrews, Bonnie Batchelder, Patricia Kennedy, Don & Mary Ethel Welch, Scott Woodard, Ty & Ashley MacWalters, Jeff Poitros, Patty Delaney, Lars Dickson, Tom Cahalan, Ian Ormon, Doug Weber, Jo Carpenter, Steffan Deffio, Jill Smith, Colette Charland, Candi Canton, Leon Dunbar, Anne Latulippe, Phyllis Arsenault-Berry, Amy Kony, Jay Ziskrout

Dick called the meeting to order at 6:00pm.

PRESENTATION OF THE 2013 FINANCIAL AUDIT AND REVIEW OF THE 2011/2012 FINANCIAL STATEMENTS AND RECORDS provided by Bonnie Batchelder -

Bonnie provided a verbal summary of items listed in her letter to the Selectboard.

Bonnie indicated it is common practice with towns to roll over any overage in the Town budget, however not at 100% which could leave the town in a negative cash position. Bonnie feels 2-3 months of operating expenses is sufficient to hold on to, however you may want to consider more based on Delinquent Taxes on the rise.

Bonnie also shared the double postings the year of the Single Audit (2011) were not reported as a finding. There was still FEMA funds received in 2013, which means FEMA could request a 2013 single audit.

Bonnie felt the Management letter for 2011 and 2012 was very weak. She did also find double postings in 2012 as well. The FEMA funds were reported in the Town Report as 1.7m, however they were reported in the single audit as 1.4m.

The 2012 and 2013 showed very sloppy work, providing the Selectboard with inaccurate financials in a sloppy and untimely manner. There is the need for reconciled monthly financials every month for the board meeting with comparison to the budget.

There needs to be a plan for the Line of Credit, as well as a plan to make the funds whole between the operating account and the reserve/escrows. Bonnie also reported

her findings on the benefits not being consistent amongst those receiving them, which is an issue.

Bonnie then reviewed the Audit Report. There is an Opinion Letter, Management Discussion and Analysis, Description of types of funds, Net Position and financials.

Bonnie pointed out the Town only has a Line of Credit which is not a bad place to be. There are other towns with much higher debt.

The reports on pages 9 & 10 (Statement of Net Position and Statement of Activities) reflect what the Town owns and what the Town owes. This is a view of the Town as if it were a for-profit and the revenues and expenses are an accrual basis of accounting.

The report on page 11 (Balance Sheet) reflects the current period expenditures and revenue. The Due to / Due from is the money the General Fund owes the Reserve & Escrow accounts.

The Town currently has a deficit in the amount of \$110,344, plus the \$228,000 Line of Credit with the Merchants Bank.

Bonnie saw no changes in the way things were done, the work was just sloppy with no reconciliations between systems.

Bonnie does recommend changing to a Fiscal Year and to discuss collecting multiple tax payments.

Bonnie indicated at this point our main focus should be to establish repayment of the Line of Credit and to make the General Fund Whole (this would mean \$338,344 is needed).

A few Townspeople present shared their concern over accountability for the parties responsible for the position the Town is now in with a deficit and mishandling of withholdings. Dick assured them we are in discussion with the town attorney.

Maureen made a motion for a Special Selectboard Meeting to be held on Monday, April 7th, at 6pm. Marty seconded, all in favor.

REVIEW OF THE TOWN CLERK HEALTH INSURANCE CONTRIBUTION SHORTAGE

Dick is waiting for a response from our attorney. If he has received a response by the end of the week we can put it on the agenda for Monday evening. The attorney has requested supporting documentation.

SET THE DATE AND WARNING FOR SPECIAL TOWN MEETING -

Mo made the motion for the Town to hold a Special Town Meeting on Saturday, May 10th, at 9am at Harwood Union High School. Maureen seconded, all in favor.

They will work on the warnings at the Special Selectboard Meeting on Monday evening.

LISTER PROPOSAL FOR COMPUTER EQUIPMENT -

Jeff presented Dick with a quote from Vermont Digital for one new computer. Mo explained that XP is ending the end of April and the existing Town Office computer will become obsolete.

Dick stated he would make a decision at Monday evenings Special Selectboard Meeting.

OTHER BUSINESS -

Kym questioned if the Draft Auditor Letter and Audit can be posted on our website for all to see. Dick indicated we need to get a final draft from the Auditor first, then we can post it on the website and announce it.

Dick indicated he heard from Adam there is a need for a new edge on the grader blade, which got broken.

Maureen made the motion for the Highway Foreman to purchase a new cutting edge for the Grader blade, not to exceed \$2,000. Amy seconded, all in favor.

The purchase of the new cutting edge would proceed with Mo researching the option/pricing of steel versus carbide edges and the warranty of each.

Jill had a Point of Order on this cutting edge not being on the agenda. Dick explained this is an emergency item, which is why it was added last minute.

Dick also shared the recent discussions over the roads posting three weeks ago in order to preserve the town roads. Only one road was left exempt, Ryan Road, which is only 2/10 of a mile and has a major contractor on it. All other roads are controlled by the DMV. Mo encouraged everyone to reach out to their local representatives, Maxine Grad and Adam Gresham. When the Legislature passed this new law they did not consider morning freeze. No it is all or nothing. Trucking businesses should reach out to Legislatures, including Agriculture vehicles and Sap vehicles. It should be at the Town's discretion.

Maureen made the motion to adjourn at 7:46 p.m. Seconded by Marty, all in favor.

Submitted by Kym Andrews 4/4/14.