

MINUTES
SELECT BOARD MEETING
TOWN OF COVENTRY

Monday October 31st, 2016 at 5:00 p.m.

Board Members Present:

Michael Marcotte / Chairman; Bradley Maxwell; Scott Morley

Town Officials Present:

David Gallup/ Road Commissioner; Amanda Carlson/Select Board Clerk

Guests:

Jeff Graham; Israel Sanville; Heather Bournival; Sherry Bradley; Louise Evans; Jacqui Rupert; Leo Piette; Deb Tanguay; Raymond Girouard; David Barlow

Press:

Elizabeth Trail / Barton Chronicle; Chris Roy / Newport Daily Express; Robin Smith / Caledonia Record

1. **Mike Marcotte called the meeting to order at 5:00 p.m.**

2. **Executive session with the Attorney Paul Gillies and Auditor Jeff Graham pursuant to 1 V.S.A. § 313(a)(1) to discuss legal representation. *Anticipated time of executive session is estimated at 1 (one) hour.***
 - Mike Marcotte made the motion to enter executive session on the findings that premature public knowledge of the topics to be discussed with Attorney Paul Gillies would put the Town at a substantial disadvantage.
 - Motion moved by Brad Maxwell and Seconded by Scott Morley.
 - The Board agreed unanimously to enter executive session with the following people present: Mike Marcotte, Brad Maxwell, Scott Morley, Paul Gillies, Jeff Graham, Ernie Saunders, Amanda Carlson.
 - The Board exited executive session at approximately 6:15 p.m.
 - No decisions reported by the Board.

3. Approve the minutes of the October 25th, 2016 meeting.

- Brad Maxwell made the motion to approve the minutes of the October 25th, 2016 meeting. Seconded by Scott Morley.
- Minutes of the October 25th, 2016 meeting approved unanimously and signed by the Board.

4. Allow for public comment.

- Mike Marcotte announced that the Town of Coventry website – coventryvt.org was now active. The site will be updated with more information, by the web administrator Amanda Carlson, when available.

5. Heather Bournival regarding Community Center Use.

- Heather Bournival requested the use of the Community Center building on Saturday mornings from 8:00 a.m. to 9:00 a.m. or 10:00 a.m. She intends to offer a variety of fitness classes to both adults and children in the community.
- The Board was agreeable to allowing the use of the facility, however, the schedule of current events will need to be reviewed to determine if weekly use is appropriate.
- The Board asked Amanda Carlson to send Heather the Building Use Policy and application forms which Heather can submit to the Facility Use Coordinator Richard Lussier.
- The schedule of current events will be reviewed to see what days the gymnasium is available and Richard will approve use with Heather.

6. Louise Evans from Hunt's Financial Services.

- Louise Evans from Hunts Financial Services provided the Board with an overview of the Towns investments. A total of four annuity funds with a current balance of \$6,709,890.16 were reported.
- Annuity funds were set up prior to her employment with the company.
- Jeff Graham expressed his concern that the funds were set up with the Town listed as “non-profit” versus a “municipality” which is a substantial difference in federal tax reporting.
- Jeff Graham stated that after confirming with colleagues, annuity funds were not an approved investment option for municipalities as the term is based on the life span of a particular person.
- The current Coventry investments list Cynthia Diaz and Mike Marcotte as the annuitant. The investment is based on their lifespan with a 5% per year increased guaranteed on top of the principal amount, however, value can fluctuate during that term making it a potential risk if the Town requires to pull the funds.

- The Board asked Louise what happens to the investments if one of the annuitants was to end their employment. She assured the Board that the funds are only payable to the Town of Coventry and that the annuitant is not the recipient of any monies. She was unable to clarify if the name could be changed during the term of the investment.
- Scott Morley requested that Louise provide the Board with the formal investment documents that set up the funds; and that she provide a comprehensive exit strategy for the Board should they decide to reallocate the funds to an alternate investment.
- The Board will also need to investigate what changes can be made by Board authority and what will require the approval of the Treasurer by statute.
- Jeff Graham stated he will be sending Louise a list of questions about the investments which he will need clarified to complete his financial audit.
- Louise Evans was asked to return to the next Board meeting on Monday November 7th, 2016 to answer the Board's questions and provide the information requested to clarify the investment funds.
- No decision made by the Board at this time.

7. Fireworks contract for 2017.

- The Board agreed unanimously to sign the contract presented by North Star Fireworks.
- The Total cost is \$5000.00 and the signed contract, along with payment, will be sent immediately in order for the Town to qualify for the \$1000.00 in free fireworks in addition to the extra 10% of product for early payment.

8. Update on cash receipts printer.

- The Board agreed unanimously to discuss *Agenda item #8 – Update on Cash Receipts Printer* during *Agenda Item #13 – NEMRC Update*.

9. Select Board continued request of Delinquent tax collector to provide complete accounting of those issues. The reports should be from NEMRC software.

- The Board reviewed the report provided by the Town Treasurer. The report was provided in an excel based spreadsheet and not from the NEMRC software as requested. The Treasurer was not present to comment.
- The Board agreed unanimously that this spreadsheet was unacceptable until provided in the format requested.
- Jeff Graham requested a copy of the report so results can be compared to his work.
- No action taken by the Board at this time.

10. Review income report from town treasurer from 10/23 through 10/30, 2016 complete with copies of corresponding bank deposit slips.

- The Board reviewed the reports provided by the Town Treasurer produced from the NEMRC Software program.
- Reports showed total income posted to the general ledger for the week of 10/26/16 through 10/31/2016 as follows: \$392,891.34 total checks received; \$188.39 total cash received; Total income \$393,080.23.
- No deposit slips were provided to verify if deposited to the bank account. The Treasurer was not present to comment.
- No action taken by the Board.

11. Graham update.

- Jeff Graham reported that there were 21 open items requested from the Treasurer required to complete the financial audit. 1 of those 21 items was provided by the Treasurer that day.
- Graham & Graham had started receiving responses from residents to the letters sent confirming tax payments made. Of the 162 letters sent; so far 5 were returned with incorrect mailing address and would need to be tracked down and resent. 3 letters were sent back complete with information that taxes had been paid in cash.
- Jeff Graham told the Board his progress on completing the audit was hindered by the Town Treasurer limiting and/or denying access within the office and not producing records as requested.
- Jeff Graham has still not received detailed information from mortgage companies and payment made.
- Jeff Graham is still anticipating that the Board will have an audit report in 7 to 10 days' time.
- The Board was questioned on the status of internal financial policies. The Treasurer has not been willing to cooperate on the adoption of the policies; however, the Board will proceed with reviewing and consider the options for implementation. Having internal financial policies is noted on financial audits and the Board agreed unanimously that the policies will need to be adopted this fiscal year in order to comply with audit recommendations for next year.
- Jeff Graham explained that part of the audit process is to complete a Management Discussions and Analysis Report. The Board needs to participate in the report review with the audit firm to complete the analysis. Jeff Graham will schedule with the Board when needed.

12. Town Computer Security Update

- Under unanimous authority of the Board to allow Scott Morley to oversee the installation of computer security and a secondary computer, Mr. Morley updated the Board on the progress made in the past week.
- Scott Morley reported that Tech patrol came to the Town Clerk's Office and was able to complete some of the work requested.
- The Town Clerk and Town Treasurer allowed access to her system and security programs were installed.
- Tech Patrol set up the new computer in the second office.
- Tech Patrol needs to return to the office to complete some of the required work. Scott Morley did not confirm a date when they would be returning.
- The Board agreed unanimously to allow Scott Morley to continue follow up's with Tech Patrol and report back the progress.

13. NEMRC update.

- Under unanimous authority from the Board for Scott Morley to continue communications with NEMRC, Scott reported that the secondary computer has been loaded with all NEMRC software modules by a NEMRC technician.
- Scott Morley reported that the system is not linked with the Town Treasurer computer system and although all information is loaded on to the new system it is not linked and will not currently update when changes are made by the Treasurer. The system is password protected with only Scott Morley and NEMRC currently having access.
- On Friday October 28, 2016, Amber Baker, a NEMRC employee was in the office reviewing the secondary computer and current financial information inputted. She is scheduled to return to the office weekly on Friday's to assist with the bookkeeping.
- The Board agreed unanimously to allow Scott Morley to meet with Amber and report back the progress of her work and direction she recommends.

14. Select Board bookkeeper update.

- The Board agreed unanimously to table this discussion until further meetings. No action taken at this time.

15. Discussion of signing authority on checking and investment accounts.

- The Board agreed unanimously to table this discussion until further meetings. No action taken at this time.

16. Other business.

- Members of the public expressed their concern for the annuity investment funds discussed in Agenda item #6. The unanimous consensus was that these did not seem to be appropriate investments for the Town and that they should be discontinued and reinvested into options that were not based on an individual. They felt the money should be available if the Town needed it and not held in long term commitments that were risky and could lose money in the short term.

17. Sign orders.

Payroll	Week ending 10/29/2016	\$ 3,642.97
Accounts Payable	10/31/2016	\$ 5,585.00
Signed by the Board for the Treasurer to draw checks totaling		\$ 9,227.97

Meeting adjourned at 8:35 p.m.

The next meeting is scheduled for Monday November 7th, 2016

Michael Marcotte / Chairman

Bradley Maxwell

Scott Morley

Amanda Carlson / Select Board Clerk