

MINUTES

SELECT BOARD MEETING

TOWN OF COVENTRY

Monday September 26th, 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
Lyell Reed /Lister

Guests:

Sherry Bradley; Melissa Gallup; Barry Allen; Richard Lussier; Isreal Sanville; Leo Piette

Press:

Elizabeth Trail / Barton Chronicle; Chris Roy / Newport Daily Express

1. **Meeting called to order at 5:04 p.m. by Michael Marcotte.**
2. **Approve the minutes of the September 19th, 2016 meeting.**
 - Bradley Maxwell made the motion to approve the minutes as written. Seconded by Scott Morley. The Board signed and approved the minutes as written.
3. **Allow for public comment.**
 - No public comment.
4. **Lyell Reed to discuss additional duties required in the Listers Office and hiring of an assistant.**
 - The Board asked Mr. Reed for an explanation on the duties of the Listers Assistant and the hiring of Cynthia Diaz. Lyell explained that this arrangement has been in place for years. The Listers Office requires someone to do data entry into the CAMA and NEMRC computer systems to keep parcel information up to date. Since there is little participation from other listers, and training is lengthy and expensive, the ideal situation is to have Cynthia continue as the data entry

clerk as she is in the office and familiar with the software. It was agreed between the Board and Mr. Reed that under statute the listers office is responsible for their own staff and not require to have Board approval. The Board questioned if this was considered in the Listers yearly budget and accounted for accordingly. Lyell was unsure and the Board will investigate the amounts at budget time. Cynthia is currently being paid \$13 /hour and number of hours vary depending on what tasks are needed. Cynthia will be asked to separate her pay on her checks or issue two separate checks for herself in order to assure money is being taken from the correct budget line items.

- Lyell Reed mentioned that they only have two listers at the moment. The Board did not recollect seeing any resignation letter. Mike Marcotte will follow up with Cynthia to see if a letter was received. Once a formal resignation letter is received then the Board will discuss the appointment of a replacement.

5. Community Center Organizer

- Mike Marcotte asked if Richard Lussier would be willing to assume the duties. Richard is willing but has questions regarding the contracts, hours and responsibilities involved. Richard questioned who would have authority to approve if the use was questionable, recommended an immediate inspection of the property after use and rental agreements provided in triplicate so he would have one, file in the office and one for the customer. The Board continued into agenda item #6 with Mr. Lussier.

6. Review draft of Building Use Policy

- The Board and Richard Lussier viewed a sample contract provided by Amanda Carlson. Copies were also provided of the current rental agreement in use. Amanda Carlson will work on incorporating and editing the policy and contract for the next meeting. Richard Lussier will review the information, provide suggestions and follow up with the Board with a decision.

7. Bobbie Jo Cleaning regarding the interior painting.

- Bobbie Jo Cleaning Services has agreed to honor the original quote dated 6/24/16 to complete the painting of the gym in matching colors for a total of \$1,800.00. The work is expected to be completed by the end of the calendar year.

8. Bridge discussion

- The temporary Hi-Acres Bridge is in need of permanent repair or replacement. After previous discussion with the Road Commissioner David Gallup, Scott Morley suggested that the Town contract the services of an engineering firm for this project. The engineering firm can provide the Town with various options and then manage the project. It is estimated to be a total of 16 – 18 months for an Engineering firm to plan, develop and install a new bridge. The Town

has received approval for a State grant to a maximum of \$70,000.00. It is believed this grant can only be used for bridge repair though and the Board believes the safest solution is replacement. Scott Morley will contact Shane Morin of VTrans District 9 to confirm and clarify what the grant funds can be used for. The Board agreed unanimously to have David Gallup look for possible Engineering firms to work with and discussion will be continued when information is obtained.

9. Fireworks refund

- Refund has been requested from NorthStar Fireworks in East Montpelier but no funds have been received. Amanda Carlson to follow up.

10. Update on upstairs books and school library.

- Mike Marcotte received an email from the school thanking the Town for the books they picked up from the upstairs library. There are still a lot of books there and Mike was unclear on their plans to return. Mike to confirm and invite the librarian to the next meeting to discuss the plan moving forward.

11. Discussion of the Graham & Graham update and report from last meeting

- Scott Morley spoke with Jeff Graham regarding the report and requested some clarification on the section of Recommendations to the Board see on page 4 and 5 of the Graham and Graham report provided at the last meeting. Scott went through each point with the rest of the Board explaining Jeff Grahams responses.

(a) Consult with the Vermont Secretary of States for required disclosure topics.

(b) Consult with the Vermont Treasurer's office for a complete listing of all allowed investments and investment advisors.

- Same answer given for both recommendations: Jeff Graham encourages the Board to meet with and talk to them once final audit reports are issued. The Board agreed unanimously that Michael Marcotte will contact the SOS office to start the conversation.

(c) Consider hiring a qualified accountant to properly record and report all Town financial and appropriate non-financial transactions in the books and records of the Town.

- The Board agreed that this will be discussed in agenda item #16.

(d) Request a complete review of the action and lack of disclosure and transparency, by Law Enforcement and other applicable officials, the missing cash and currency transactions.

(e) Request a meeting with you Fidelity Bond carrier to discuss the current and prior instances of missing cash assets of the Town to assess the availability of insurance protection and reimbursement.

- Same answer given for both recommendations: Jeff Graham suggested waiting until the final audit report is issued before acting on these recommendations.

- (f) *Seek Right-to-know Law requests to obtain all documents to fully discharge the Board's fiduciary obligations of your office.*
- Jeff Graham has been requesting documents and reports from the Treasurer and not receiving. He recommends the Board investigate the right to know law and familiarize themselves with the rules and regulations. Jeff Graham will have more information when the report is completed.
- (g) *Seek the assistance of an independent general Counsel for all of your areas of concern and duties inherent in your Board position.*
- Jeff Graham recommends to wait until the final report is released. He also stated that the Board should be considering attorneys other than the Town Attorney. Graham & Graham can provide recommendations when the report is released.
- (h) *Consider reissuing financial position reports when all information is known.*
- Jeff Graham clarified that this was a conversation that the Board should have with the Town Attorney along with any general counsel they hire. The attorney will be able to clarify the requirements for reissuing reports.
- (i) *Immediately seek the assistance of a group of Investment Advisors to assess the propriety of the investment portfolio held by the Town and to change the portfolio mix currently used.*
- Jeff Graham stated that at this point this is not urgent. This is a recommendation to consider when financial reports are made available. The Town will need to seek a State approved professional advisor that is approved by the State. Jeff Graham will be able to provide a list of advisors for the Town to consider.
- (j) *Seek further assistance from NEMRC for accounting transactions reporting and completeness issues*
- Ernie Saunders from NEMRC has been assisting with the software and the Board agreed that having Ernie continue once a month on-site visits should be continued until work is up to date.
- (k) *Institute a strong and verifiable system for Internal Accounting Controls that meets government standards and accounting profession standards to allow for opinions of financial position from outside audit forms.*
- This item ties into agenda item #16 of hiring a bookkeeper and will be discussed then.
- (l) *"Mirror" report generation and regularly review with a financial staff member of your choice, all financial transactions for collections, disbursements, payroll, asset protection and existence. This staff member must be well versed in municipal accounting and government reporting obligations in Vermont.*
- This item ties into agenda item #16 of hiring a bookkeeper and will be discussed then.

(m) Document the obligations of the Town Clerk, Town Treasurer and Delinquent Tax Collector and how these duties are discharged. This will be a very important audit procedure for current and future financial audits.

- The Board will be provided with copies of the Vermont League of Cities and Town's Hand books for Treasurer, Town Clerk and Delinquent Tax Collector as well as the Handbook for Local Officials. These will be reviewed and discussed at a future meeting.

(n) Require and mandate a complete and timely listing of all cash and other financial resources on a daily basis. Also, mandate an immediate deposit policy for all payments received by the Town, whether for grants, taxes, fees, reimbursements, tipping fees or other resources due the Town.

- The Board agreed that a section should be added into the financial policies that requires daily reports being sent to the Board. This will be discussed when amending the policies in agenda item #12.
- Leo Piette questioned the situation with Town elected auditors. This was a position voted out many years ago due to lack of involvement from willing and trained residents. The Board agreed that this might be a worthy discussion to have at the next Town meeting and see if Town voted auditors would benefit the office.

(o) Seek immediate advice on the insurance levels required to properly cover the risks and amounts for your investment portfolio.

- Jeff Graham stated that this is something to be done when the final audit report is completed.
- Scott Morley stated that the letters to residents to confirm past tax payments have not yet been sent out. Jeff Graham's office is reviewing mortgage payments and trying to eliminate as many names as possible. Letters should be ready this week and Scott Morley will review before they are sent.

12. Review drafts of internal financial policies.

- The Board reviewed the eleven model policies provided by the VLCT. They decided unanimously to immediately focus on the four policies they felt presently most beneficial; CASH RECEIPTS, PETTY CASH AND RETURN CHECKS POLICY; ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICY; PURCHASING POLICY; FRAUD PREVENTION POLICY. The Board will review and discuss at the next meeting. David Gallup, Road Commissioner, was given a copy of the Purchasing Policy and asked to offer his input on details. Amanda Carlson to contact the VLCT to verify who is required to sign policies in order for them to be enforceable by the Board. An attempt will be made to amend and approve the policies at the next meeting.

13. Selectboard continued request of the delinquent tax collector to provide complete up to date status of all delinquencies.

- The report was left for the Board by the Treasurer who was not present at the meeting. Scott Morley stated that it was provided in an excel based format and not in the NEMRC based

software as requested. The Board agreed unanimously that the report was not complete, not comprehensive and not acceptable as it does not provide an accurate view of what is due and the status of delinquent taxes owing.

14. Selectboard request for current day cash/currency/check balance on hand funds to be deposited

- Report provided to the Board by the Treasurer who was not present at the meeting. Scott Morley commented that this was not the exact report expected but it did contain desired information. The NEMRC based report provided a detail of list of checks and cash given to the Treasurer. The Board commented that it did not, however, include, whether or not the monies had been deposited into the bank account. The Board will request that these reports be accompanied with a bank deposit ticket so it can be verified when the money was brought to the bank.

15. Discussion of purchasing the sequential numbering printer mentioned by Ernie Saunders.

- Scott Morley will speak with Ernie Saunders to discuss machine and cost. The system will link with the NEMRC cash module software and print a customer receipt. Mike Marcotte suggested a sign posted in the office stating that receipts are mandatory for all transactions to prompt people to request and obtain a receipt for all transactions. The printer and sign will be discussed in more detail at a following meeting when more details are obtained from Ernie Saunders.

16. Discussion of Auditors recommendation to hire a bookkeeper.

- The Board feels that this is not a permanent position but a temporary one while financials are being reviewed and caught up to date. They feel that a professional accountant or bookkeeping firm would be best suited for the position. Mike Marcotte made the motion to allow Scott Morley to contact various firms to inquire about services and costs. Brad Maxwell seconded the motion. Estimates and proposals will be discussed when more information on options is available.

17. Other business.

- David Gallup questioned the 2017 labor law requiring overtime pay for employees making less than \$47,000.00 per month. The Board and Road Commissioner were unclear if this would affect the Road department. The Board will address this during budget discussions and make a decision at that time.

18. Sign orders.

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| Payroll | Week Ending 9/24/16 | \$ 1,793.25 |
| Signed by the Board for the Treasurer to draw checks totaling | | \$ 1,793.25 |

19. Adjourn

Meeting adjourned at 6:55 p.m.

Next Meeting Date: Monday October 3rd, 2016 at 5:00 p.m.

Michael Marcotte / Chairman

Bradley Maxwell

Scott Morley

Amanda Carlson / Select Board Clerk