

**MINUTES**  
**SELECT BOARD MEETING**  
**TOWN OF COVENTRY**

**Wednesday May 24<sup>th</sup>, 2017 at 3:00 p.m.**

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**Board Members Present:**

Michael Marcotte/Chairman; Scott Morley

**Town Officials Present:**

Amanda Carlson/Town Administrator  
Kate Fletcher/Delinquent Tax Collector  
Gary Petit/Lister; Anita Gariepy/Lister; Lyell Reed/Lister  
David Barlow/Trustee of Public Money

**Guests:**

Martha Sylvester; Leo Piette; Jeanne Desrochers ; K.S. Ahearn

**Press:**

Dan Schwartz/VT Digger; Chris Roy/Newport Daily Express; Robin Smith/Orleans County Record;  
Elizabeth Trail/Barton Chronicle

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**1. Mike Marcotte called the meeting to order at 3:00 p.m.**

**2. Review VLCT Claim Response and Letter for Board Acceptance**

- The Board reviewed the statement of determination received from the Vermont League of Cities and Towns, regarding the insurance claim submitted by the Board for missing Town funds. *See attached.*
- The VLCT determined that coverage was applicable under faithful performance.
- The total amount submitted was \$876,383.76. Total coverage limit \$500,000. Deductible amount \$1,000. Total amount claimed and accepted \$499,000.
- Scott Morley noted that the full amount allowed to be paid, will be paid to the Town for losses incurred and this showed the VLCT found merit and evidence in the audit findings.
- Scott Morley made the motion to accept the Sworn Statement of Proof of Loss from the Vermont League of Cities & Towns for a total claimed amount of \$499,000.
- Mike Marcotte seconded the motion.
- The sworn statement was signed by Mike Marcotte on behalf of the Board; and notarized by Amanda Carlson.

- An additional letter from the VLCT stated that once the Board accepted, Cynthia Diaz would no longer be bonded by the VLCT.
- The Board will have the Town Attorney draft a letter to Cynthia Diaz stating that she is no longer bonded and notify her that she has ten days to produce coverage, or her office will be considered vacated.
- The Board discussed raising the bond limit based on the amount of the Town's current accessible cash on hand.
- Scott Morley made the motion to propose to Attorney Paul Gillies to request a minimum of a 2.5-million-dollar bond. Seconded by Mike Marcotte.
- Amanda Carlson departed the meeting to deliver the signed sworn statement to the office of the VLCT.
- The Board agreed to allow Kate Fletcher to finish the meeting as the Board Clerk and take the required minutes.
- Question posed by Leo Piette regarding the lapse in coverage of the Town Clerk/Treasurer from now, and for the next 10 days. He is concerned about what would happen to any additional missing funds. Mike reassured people that the Select Board would do everything within their power to safeguard the town money.

### **3. Review Hunt Financial Investment Resolution for Adoption**

- Mike stressed the importance of adopting the new investment resolution between the Select Board and Hunt's Financial. The old policy needed to be re-drafted in order to better ascertain the town's assets. This need arose because the members of the board have had many difficulties and roadblocks in dealing with Hunt's.
- Scott Morley and Cynthia Diaz had a meeting with Louise of Hunt's approximately two weeks ago. Many barriers and legalities hampered straightforward understanding of the town's investments and assets. Scott stated the Select Board strives to open channels of communication, to adjust, and have input into the Coventry's investments and finances.
- The new financial resolution would add another layer of assurance for the board to guarantee investments are secure. The prior resolution did not, and allowed one person to make decisions. The goal is to make finances more transparent, accessible, safer, and allow for review. The new policy also removes the Town Treasurer as a "decision maker" and places resolutions in the hands of the Select Board. Mike Marcotte mentioned VT Statute 24 V.S.A. § 1571(b) (from investment resolution)
- Scott Morley made the motion to adopt the resolution for Hunt's Financial as written. Motion passed.
- Question (Leo Piette): How long ago was the last resolution with Hunt's signed? Answer: 2012.

#### **4. Other Business**

- Mike Marcotte stated there will be several questions for Paul Gillies regarding how the letter (cancelled bond) will get to Cynthia Diaz and the mechanics of the issue. Scott Morley made the motion to contact Paul Gillies for consultation to decide how to disseminate the letter to Town Clerk/Treasurer to secure a minimum of \$2.5 million bond. Passed.
- Question (Leo Piette): If Cynthia Diaz is able to secure a bond, how will she convey it to the Select Board? This is important because the proper legal channels will have to be followed. Mike Marcotte responded by saying Cynthia will have to produce a policy in the right method as determined by Paul Gillies.
- Question (Dan Schwartz VT Digger): The 10 day period for response from the Town Clerk/Treasurer begins when? The board responded that the 10 calendar-day period starts when she is served. Other legal questions will be responded by Paul Gillies.

#### **5. Meeting adjourned at 3:38 pm**

**The next Select Board meeting will be held on Monday June 5<sup>th</sup>, 2017 at 5:00 p.m.**

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**Michael Marcotte / Chairman**

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**Bradley Maxwell**

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**Scott Morley**

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**Amanda Carlson / Town Administrator**