

**TOWN OF CHARLOTTE  
SELECTBOARD  
APRIL 9, 2012**

**Approved April 23, 2012**

**MEMBERS PRESENT:** Charles Russell, Chair; Ed Stone, Winslow Ladue (via telecommunication). Absent: John Owen, Dennis Delaney.

**OTHERS:** Berkeley Brooks, Jennifer Ward, Stephen Brooks, Jim Dickerson, Laurie Curl, Sharron Balaban, Peter Trono, Heather Manning, Colleen Pelkey, Bob Mesasor, Wendy Schroeder, David Miskell, Joe Juhasz, Robert Mack, Chris Davis, Michael Jordan, Mary Mead, Bud Shriner, Carrie Spear, Ray Curtis, Dick St George, Spin Richardson, Marion Paris, Meg Modley, David Stewart, Chris Mack, Jenny Cole, Dorrice Hammer, Robin Reid, Ellie Russell, Marty Illick, John Hammer, Charlotte News; Carol Casey, Charlotte Citizen; and others.

(NOTE: The published meeting agenda was heard out of order. Due to a faulty telecommunication connection with Mr. Ladue some of the agenda items were deferred, or not discussed due to a lack of quorum.)

**CALL TO ORDER**

Mr. Russell, Chair, called the meeting to order at 7:14 p.m.

**ADJUSTMENTS TO AGENDA**

None.

**PUBLIC COMMENTS**

None.

**ARBOR DAY –action under consideration: proclaim May 5th Arbor Day  
MOTION by Mr. Stone, seconded by Mr. Ladue, to proclaim May 5<sup>th</sup> as Arbor Day.  
VOTE: 3 ayes, 2 absent (Mr. Owen, Mr. Delaney); motion carried.**

**FIRE AND RESCUE FINANCIAL RECORDS – action under consideration:  
address issues raised by the Town Treasurer at the April 2<sup>nd</sup> Selectboard meeting,  
including conducting an audit**

Mr. Russell briefly reviewed that since the Town Treasurer took over the Fire and Rescue bookkeeping February 1<sup>st</sup> there have been reconciliation issues. The Town was considering commissioning an audit of the books. There were costs associated with an independent audit. The State Auditor's office was contacted regarding procedure, said Mr. Russell.

Mr. Russell introduced Joseph Juhasz, Deputy State Auditor.

Mr. Juhasz explained audit needs and procedures. The State Auditor's role would be to facilitate and address issues, and help resolve concerns related to an audit. An 'agreed

upon procedure' would be less expensive than a full blown audit. An 'agreed upon procedure' is an understanding of what the Town wants an auditor to look at. For example; cash accounting. The state can offer assistance and provide guidance in preparing a request for proposal (RFP), said Mr. Juhasz.

Mr. Richardson asked if there was money in the Town budget for an audit. Mr. Russell pointed out that the Town has paid for audits through the budget before. The current auditor quoted \$35-135 per hour for a five-year audit, said Mr. Russell. Mr. Juhasz said that it was important for the Town to decide what they want in an audit, and have a process agreed upon before the auditor started. An auditor could only go back seven years as per statute of limitations, said Mr. Juhasz.

Mr. Ladue suggested obtaining quotes from several firms for a one, or two year audit.

Mr. Juhasz explained that an 'agreed upon procedure' could include reviewing operations in specific areas. For a Fire and Rescue operation that would be a narrow look. 'Forensic audit' is a misused term. If an auditor had a reason, or suspicion to look closer, then they should come to the Town and explain the need for a closer examination of the books, said Mr. Juhasz.

(Bob) Stone asked how specifically an independent audit would be versus the annual audit. Mr. Juhasz replied that for an annual audit 100 percent of the transactions would not be looked at, but were random samples of what a town presented as their books.

Mr. Trono said that when his business was audited for a problem they went through more than one year. You have to go back one year prior to when that problem started. Wouldn't it be easier to ask the Fire and Rescue bookkeeper questions, asked Mr. Trono.

In response to questions, Ms. Mead explained that she took the Fire and Rescue total invoices and total payroll, but the numbers didn't match the Town funds given to the departments. She took the bank statements and expenses for July through January, subtracted \$47,000 that were the July checks and came up with \$320,000. That didn't match the Fire and Rescue starting balance, said Ms. Mead. Mr. Curtis said that was 30 percent of the Fire and Rescue budget. An auditor should be able to find that 30 percent, suggested Mr. Curtis.

There was further discussion regarding procedures that included examining the expense and revenue sides of a balance sheet, deciding if there was a problem, and if so, asking an auditor to look at all transactions in depth. Mr. Juhasz said that an auditor should ask questions to get a basic understanding if there is a problem, or not. During the process there should be communication through the auditor and sit down meetings regarding what was found, said Mr. Juhasz.

**MOTION by Mr. Stone, seconded by Mr. Ladue, to retain an auditor to review the Charlotte Fire and Rescue financial records, and to report back to the Charlotte Selectboard.**

**DISCUSSION**

Mr. (Ed) Stone asked Mr. Juhasz if the State Audit office would review the Fire and Rescue audit and look for mistakes, or concerns. Mr. Juhasz said the office could look at an audit and see if there were any concerns. The Management Letter, Auditors Opinion, suggested changes of controls, and a match of ending balance to starting balance would also be reviewed, said Mr. Juhasz.

Mr. (Ed) Stone asked if the Town should continue with their current auditor, or go with the audit firm from Montpelier. Mr. Juhasz replied that he would not recommend staying with the same audit firm for 5 or more years. The Town should determine a scope of work, what they expect an auditor to do and make sure that the auditor was doing that work. The state would help the Town prepare an RFP of the financial management of the Fire and Rescue, said Mr. Juhasz.

**AMENDMENT** to the Motion by Mr. Stone, seconded by Mr. Ladue, to prepare an RFP to retain an auditor.

**DISCUSSION:**

Mr. Juhasz said that the state auditor's office would send a draft RFP to the Town as a guide.

Mr. Richardson suggested that the Town hire a different auditor than the current firm.

Mr. Curtis suggested that an audit of the July 1-February 1<sup>st</sup> balances might help to answer some of the questions.

Mr. (Bob) Stone asked if the auditor hired would have an open-ended budget. Mr. Russell replied that the Town was making a decision to send out an RFP only.

Mr. Ladue asked if anyone in the audience would like to participate in the process. Mr. Mendelsohn, resident, said that he had 15 years experience with audits. He was also a former Fire and Rescue volunteer with the town of Dover, said Mr. Mendelsohn.

The Selectboard thanked Mr. Juhasz for his input.

**VOTE** on the amended motion: 3 ayes, 2 absent (Mr. Owen, Mr. Delaney); motion carried.

Mr. Davis offered assistance from the Fire and Rescue departments to prepare for an audit to make it work as smoothly as possible.

**SUBMITTED PETITIONS: action under consideration: warn a special town meeting**

No action was taken.

Ms. Russell requested that the Selectboard consider holding a special meeting on Monday, May 14<sup>th</sup> in order for the Sidewalk Committee members to attend.

Ms. Paris, resident, asked if the Town Clerk had received a petition regarding a change to Australian ballot. Mr. Russell said that he has talked with Patrice Machavern. Ms. Machavern was aware of the timing issue, said Mr. Russell.

Mr. Russell said that the Selectboard would wait to schedule a special meeting until Jerry Schwartz, moderator, could be contacted. A petition regarding a change to Australian ballot had to be received by Wednesday. If it was not received in time a special meeting to re-consider a sidewalk article could still be held on May 14<sup>th</sup> at 7:00 p.m., clarified Mr. Russell.

**HEART OF VERMONT PRODUCTIONS – action under consideration: approve request to use town roads for the Dynamic Duathlon on Sunday, June 10<sup>th</sup>**

Mr. Russell reviewed that the Recreation Committee form was filled out and a Certificate of Insurance was received.

**MOTION by Mr. Stone, seconded by Mr. Ladue, to approve a request to use Town roads for the Dynamic Duathlon on Sunday, June 10, 2012.**

**DISCUSSION:**

**Mr. Richardson asked what percentage of the profits would be donated to the school. A minimum amount of \$500, or some other figure would be better than an uncertain percentage, suggested Mr. Richardson.**

**Mr. (Ed) Stone tabled the motion, seconded by Mr. Ladue.**

**WAITSFIELD AND CHAMPLAIN VALLEY TELECOM PETITION TO REPLACE FOUR EXISTING UTILITY POLES AND INSTALL ONE NEW POLE ON SPEAR STREET, MONKTON ROAD AND LEWIS CREEK ROAD NEAR THE QUINLAN COVERED BRIDGE – action under consideration: approve petition dated March 23, 2012**

No action was taken.

**ANIMAL CONTROL OFFICER – REQUEST FOR MILEAGE REIMBURSEMENT TO COMFORT HILL KENNEL IN VERGENNES – action under consideration: approve request**

**MOTION by Mr. Stone, seconded by Mr. Ladue, to grant a mileage reimbursement request by the Comfort Hill Kennel, Vergennes, and the Charlotte Animal Control Officer based on the current federal cost per mile reimbursement rates.**

**VOTE: 3 ayes, 2 absent (Mr. Owen, Mr. Delaney); motion carried.**

**APPROVAL OF BILLS AND WARRANTS**

**MOTION by Mr. Stone, seconded by Mr. Ladue, to approve a warrant report submitted to the Charlotte Selectboard, dated 03/03/2012, for \$20,774.61.**

**VOTE: 3 ayes, 2 absent (Mr. Owen, Mr. Delaney); motion carried.**

**MOTION by Mr. Stone, seconded by Mr. Ladue, to approve a warrant, dated 04/09/2012, for the amount of \$35,933.98.**

**VOTE: 3 ayes, 2 absent (Mr. Owen, Mr. Delaney); motion carried.**

**MOTION by Mr. Stone, seconded by Mr. Ladue, to approve a check warrant, dated 04/09/2012, for the amount of \$1,267.50, noted as a Fire and Rescue – miscellaneous.**

**VOTE: 3 ayes, 2 absent (Mr. Owen, Mr. Delaney); motion carried.**

**MOTION by Mr. Stone, seconded by Mr. Ladue, to approve a Fire and Rescue warrant report, dated 04/08/2012, for the amount of \$5,628.78.**

**VOTE: 3 ayes, 2 absent (Mr. Owen, Mr. Delaney); motion carried.**

Mr. Russell signed payroll warrants.

**FERTILIZING OF THE CHARLOTTE LITTLE LEAGUE BALLFIELD – discussion only**

(NOTE: Discussion regarding fertilizing of the Charlotte Little League ballfield was deferred until 8:10 p.m.)

Mr. Ladue asked what the current status was between the Charlotte Little League and the Town regarding the use of the fields and parking. Mr. Russell suggested tabling further discussion until the Selectboard Clerk was in attendance. There were four quotes for fertilizing the fields, said Mr. Russell.

Ms. Illick asked how the ballfield fertilization discussion correlated with the Town vote to delete \$3,200 in funding for fertilization of those same ballfields. Mr. Russell explained that Norm Pellett, Mr. Bloch and he had talked with the Charlotte Little League on how much fertilizer, watering, etc, was needed.

Mr. Mack asked how the quotes would be chosen, and how much did the Town spend per year. Mr. Russell replied between \$6,500-7,000 for three ballfields.

There were no further questions.

**ADJOURNMENT**

The teleconference connection with Mr. Ladue disconnected and could not be restored. There was no quorum.

Mr. Russell adjourned the meeting at 8:17 p.m.

Respectfully submitted, Kathlyn L. Furr, Recording Secretary