

**CHARLOTTE TOWN AUDITORS**  
**Minutes of the Monday, October 21, 2013, Meeting**  
**At the Charlotte Town Hall**

Present: Town Auditors Robert Mack, Peter Trono and Nancy Wood (chair)  
Others: Town Treasurer Mary Mead, Selectboard member Lane Morrison

The meeting was called to order at 3:00 p.m.

The minutes of the October 7, 2013, meeting were approved on a motion by Peter Trono, seconded by Robert Mack, all in favor.

Other business: There was discussion about the unresolved agreement between the Town and CVFRS about financial reporting and the Town's appropriation to CVFRS for 2013. Selectboard assistant Dean Bloch provided a copy of the patient billing agreement that has been signed by David McNally, Corporate President of CVFRS, that provides for patient billing revenues to be kept by CVFRS and the town appropriation to be reduced by the budgeted amount of that revenue (\$110,000) from \$681,650 to \$508,650. However, it has not yet been signed by the Selectboard, and the MOA that will determine the payment terms has not been finalized. Treasurer Mead has been asked directly by CVFRS to send monthly payments of the Town's appropriation, but when she has requested financial statements, no one has responded. The relationship among the Selectboard, CVFRS and the Town Treasurer is unclear. Trono asked, "What is the relationship between the Town Treasurer and CVFRS – don't they have an obligation to answer her request?" Wood suggested that if there is not to be a direct relationship between the Treasurer and CVFRS, then the Selectboard should be the source of all requests of funds, and should provide the Treasurer with the payment schedule to be followed. Also discussed was the need for these agreements (and all contracts with the Town) to be recorded and filed in the vault, and that the Town Auditors continue to recommend to the Selectboard that the MOA include monthly financial reports as described in the letter sent on May 20, 2013, and presented to the Selectboard on Tuesday, May 28, 2013:

"We recommend that the financial agreement between the Selectboard and CVFRS be specific to timing and the types of reports that the Selectboard expects to receive:

- a) (moot)
- b) Financial statements: We recommend that there be monthly financial reports in a format acceptable to the Selectboard, specifically:
  - i. Consolidated (operating fund and all special funds) balance sheet, with breakout by class (ie, by fund type)
  - ii. Consolidated actual-to-budget profit and loss (current and year to date), with breakout by class (ie, by fund type).
  - iii. Bank reconciliation report
- c) Budget format (early fall presentation): We recommend that the budget be presented in the same format as the consolidated financial statements,

broken out by class to identify the allocation of anticipated revenues and expenditures among the operating fund and special funds.

- d) Other reports: In addition to the reports above, we recommend that the following reports be provided monthly to the Selectboard:
- i. Patient billing comprehensive report update
  - ii. Fire & Rescue Call reports
  - iii. Other reports listed in the Selectboard's MOU draft such as minutes of CVFRS Board meetings and reports reviewed at those meetings.

6. Inventory of equipment: We recommend that the inventory of equipment and clarification of ownership by Town or CVFRS be completed as soon as possible, including depreciation schedules, in order that both the Town and CVFRS fixed asset balances on July 1, 2013, are accurate."

A related issue was discussed about whether the Selectboard should decrease the CVFRS appropriation by the \$60,000 budgeted for a full time firefighter/EMT, since no one has been hired to fill that role.

Mead also raised a question about how to handle a situation of notification by the state of an inaccurate social security number that was provided to the Town by Richard St. George. It was suggested she contact Bonnie Batchelder for advice.

**Action:** Robert Mack moved and Peter Trono seconded a motion to recommend to the Selectboard that all future e-mails between the Town and the independent auditor (Batchelder Associates) be copied to the Chair of the Board of Auditors and the Town Treasurer. Approved 3-0.

**Action:** Robert Mack moved and Peter Trono seconded a motion to request that all e-mails already exchanged between the independent auditors and the Town about the 2013 Town Audit be given to the Board of Auditors. Approved 3-0.

RFP/contract recommendations: Discussion of the bid process, including what should be put up for bid and what should be subject to a purchase order policy, will continue at the next regular meeting. Trono said there should be written agreements before any payments are made to a contractor, including the scope of work. This did not appear to be the case with the recent work on the Quinlan Schoolhouse roof. Related question is who has the qualifications to define scope of work and at what point should the Town use an engineer or architect. Trono will bring a brief summary of points to be considered to the November 4 meeting.

The dates of the next meetings were set for Monday, October 28, 2013, joint meeting with Selectboard and Batchelder Associates (time dependent on Selectboard agenda) to review the draft Town Audit, and Monday, November 4, 2013, at 3 p.m. at the Town Hall.

*The October 21, 2013, minutes were approved at the November 4, 2013, meeting.*