

**CHARLOTTE SELECTBOARD
MINUTES OF MEETING
TOWN HALL
DECEMBER 15, 2014**

APPROVED

SELECTBOARD MEMBERS: Lane Morrison, Chair; Charles Russell, Ellie Russell, Matthew Krasnow, Fritz Tegatz.

ADMINISTRATION: Dean Bloch, Town Administrator.

OTHERS: Mary Mead, Nancy Wood, Patrice Machavern, Jenny Cole, Rick Brigham, Peter Trono, Robert Mack, Sue Smith, John Hammer, Charlotte News; Robin Reid, Charlotte Citizen; and others.

ITEMS TAKEN UP:

- 6:30 PM Review of draft Town Audit Report, Schedule of Deficiencies in Internal Control and Other Recommendations, and Schedule of Fixed Assets. *Action under consideration: approve reports and responses to findings*
- 8:00 PM Engagement of Stitzel, Page & Fletcher, PC as legal counsel to assist the Delinquent Tax Collector with tax sales. *Action under consideration: approve*
- 8:05 PM Public Comment
- 8:10 PM Elysabethe James—interview for Community Safety Committee. *Action under consideration: appoint for term ending April, 2017*
- 8:20 PM Budget format. *Discussion only*
- 8:30 PM Articles for Town Meeting warning. *Discussion only*
- 8:45 PM Thompson's Point leases. *Action under consideration:*
Terminate lease to Ruth G. Nye (f/k/a Ruth G. Becker) for Lot 21 at 2579 Thompson's Point Road
Approve new lease to BCS Real Estate Holdings, Inc. for Lot 21 at 2579 Thompson's Point Road
Terminate lease to Kim Dee Fleischer and Mitchell R. Fleischer, or their successors in trust, Co-Trustees of the Kim Dee Fleischer Revocable Trust u/a/d October 2, 1997 and Cynthia S. Curtis for Lots 172 and 173 at 660 and 690 North Shore Road, respectively
Approve a new lease to Donald E. Harrington and Cynthia S. Curtis and Arthur W. Curtis, Jr., Co-Trustees of the Cynthia S. Curtis Trust u/t/a October 11, 2004 for Lots 172 and 173 at 660 and 690 North Shore Road, respectively
- 8:50 PM Minutes: December 8, December 11

CALL TO ORDER

Mr. Morrison called the meeting to order at 6:34 p.m.

REVIEW OF DRAFT TOWN AUDIT REPORT, SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL AND OTHER RECOMMENDATIONS, AND SCHEDULE OF FIXED ASSETS. *Action under consideration: approve reports and responses to findings*

Mr. Brigham, Sullivan and Powers, presented an overview of a draft Town Audit report that included a Financial Audit - Audit Opinion that was a 'clean audit opinion'; Exhibits A and B

that was a summation of all fund totals, Exhibit C that was a balance sheet of assets and liabilities fund by fund, and a Letter of Internal Controls that identified one material weakness and two significant deficiencies, which the Town would need to response to. A final bound report would include the Town's responses, said Mr. Brigham.

TASKS:

- Ms. Wood suggested clarifying that the 'waste water department' should be changed globally to read "the Thompson's Point Waste Water Department."
- Mr. Russell suggested that the CVFRS Capital Fund should be included in Exhibit C as a major fund.
- Retain the Highway Reserve Fund heading versus a Highway Capital Fund heading.
- Selectboard to discuss a CVFRS budget as a separate Town Meeting article, as two separate articles of \$600,000 and \$180,000, or as part of the Town budget.
- Page 6, General Fund, end of 1st paragraph add: 'The General Fund ended with a surplus of \$114,904.'
- Page 37, Note related to property taxes – consider adding a separate report or a footnote: "Treasurer's Tax Statement" to give the taxpayer a clearer understanding of municipal and educational taxes; amounts obligated to be raised, what was revenue, and where it went. Mr. Bingham to check with his partner
- Consider options to address and implement controls for material weakness – segregation of duties: run reconciliation of check book/checks written through NEMRC, hire an outside consultant, the Town Treasurer reconcile monthly with an outside consultant/CPA review reconciliations every three months, train a second person to step in for the Town Treasurer as needed.
- Selectboard to discuss a Fraud Policy. First do an assessment and then draft policy.
- Staff to send to Mr. Brigham to add a Note: calculation of \$6,924 that the Town would receive from CVFRS as either a 2015 receivable in Other Funds, or in Exhibit B, or if done within 60 days as a reduction of the Town appropriation.
- Page 29, Capital Assets: maintain on an on-going basis in NEMRC as additions/deletions.

Mr. Brigham reviewed possible fraud policy models that could include the following points for discussion:

- Cash register for cash control.
- Adopt an Investment Banking Policy.
- Group funds in a NEMRC trial balance for a cash fund.
- Change the current weekly payroll to a two week payroll.
- Direct posting to a cash receipts module.
- Track Thompson's Point leases.
- CVFRS MOA language: identify whose money was spent first – the current language was vague.
- Documentation of manual controls.
- Fixed assets schedule via a Fixed Assets form.
- Banking of un-billed revenue.

Valid Town responses:

- Mr. Bloch suggested: The Town was considering segregation of duties and how to implement controls for bank reconciliations and/or review of journal entries that could include creating a check list with signatories. Mr. Bingham said that his audit firm could assist with drafting a check list of how/steps of reconciling a check book/checks written.
- Regarding billing of the Thompson's Point Waste Water System: The Town owns the system that is run by the Thompson's Point Waste Water Committee (the Town financed the system).

The Selectboard thanked Mr. Brigham for his presentation.

Mr. Morrison called a break from 8:01 p.m. to 8:10 p.m.

ENGAGEMENT OF STITZEL, PAGE & FLETCHER, PC AS LEGAL COUNSEL TO ASSIST THE DELINQUENT TAX COLLECTOR WITH TAX SALES. *Action under consideration: approve*

MOTION by Mr. Russell, seconded by Ms. Russell, to approve engagement of Stitzel, Page and Fletcher, PC, as Legal Counsel to assist the Delinquent Tax Collector with tax sales.

DISCUSSION:

Mr. Tegatz asked what the smallest billing unit was for the firm. Mr. Bloch replied in 10 minute blocks.

Mr. Mack suggested that this was an opportunity to consider a different firm that might be more responsive to matters. Mr. Morrison suggested to proceed as motioned and to consider the topic for a future agenda discussion.

VOTE 5 ayes; motion carried.

PUBLIC COMMENT

Ms. Cole, Charlotte Park and Wildlife Refuge Oversight Committee representative, submitted a written statement of concerns regarding a current Sketch Plan Review application by Tim Hunt related to the Varney Farm proposal to use the barn for events and a waste water permit reserve easement on Park land.

Ms. Cole said the Town should be involved in the Conditional Use review before the ZBA.

ELYSABETHE JAMES—INTERVIEW FOR COMMUNITY SAFETY COMMITTEE. *Action under consideration: appoint for term ending April, 2017*

No action was taken. Ms. James was not present at the meeting.

BUDGET FORMAT. *Discussion only*

SUGGESTED CHANGES:

- Simplify the tax calculation page of the Town Report; for example: page 13 footnote showing what the tax rate was, add the educational tax rate as a one line item and that the taxes were retained by the Town.
- Consider adding: 'amount spent year to date' actuals with dates.
- Add account numbers on the same lines of the titles. Mr. Russell and Mr. Bloch would do.

- Page 13, bottom of page, consider Fire and Rescue as a single line item and printing Fire and Rescue detail. Page 13 and 14 need clarification.

ARTICLES FOR TOWN MEETING WARNING. *Discussion only*

Mr. Russell suggested that instead of borrowing money, or holding a 10 percent contingency, there could be an article to authorize the Selectboard to 'borrow' reserve fund money from the Town versus the bank(s). Ms. Russell replied that there would need to be a guarantee that any 'borrowing' would not interfere with the funds, and that there would be a reasonable expectation of paying it back.

Mr. Morrison asked staff to create a draft article for review.

Mr. Russell spoke in support of a separate Fire and Rescue article.

There was discussion regarding the role of elected or appointed Town Auditors and if an article to retain the Town Auditors, or not, was needed. Mr. Morrison suggested that since Nancy Wood was not running for the position and if no one was interested in running within 15 months then the positions could be terminated at the next Town Meeting.

Mr. Russell pointed out that the Town Auditors role was to make sure spending was properly approved and policies were in place. The Town Auditors also drafted an Auditor's Report for the Town Report, said Mr. Russell.

Mr. Russell suggested that any surplus could go into a reserve or capital reserve fund, such as the Repair and Improvement Fund line item. That created transparency regarding available funds and what it would be spent on; for example, reducing the tax rate, said Mr. Russell.

There was discussion regarding the CVFRS Capital Reserve Fund related to financing new equipment/vehicles via a bond and paying interest, or setting aside funds in a bank and receiving interest; creating a committee, or hiring a consultant to review specifications prior to presenting a major purchase such as a pumper truck to the voters; and to have staff prepare a draft paragraph for the MOA for the meeting.

THOMPSON'S POINT LEASES. *Action under consideration:*

- **Terminate lease to Ruth G. Nye (f/k/a Ruth G. Becker) for Lot 21 at 2579 Thompson's Point Road;**
- **Approve new lease to BCS Real Estate Holdings, Inc. for Lot 21 at 2579 Thompson's Point Road;**
- **Terminate lease to Kim Dee Fleischer and Mitchell R. Fleischer, or their successors in trust, Co-Trustees of the Kim Dee Fleischer Revocable Trust u/a/d October 2, 1997 and Cynthia S. Curtis for Lots 172 and 173 at 660 and 690 North Shore Road, respectively; and**
- **Approve a new lease to Donald E. Harrington and Cynthia S. Curtis and Arthur W. Curtis, Jr., Co-Trustees of the Cynthia S. Curtis Trust u/t/a October 11, 2004 for Lots 172 and 173 at 660 and 690 North Shore Road, respectively.**

MOTION by Mr. Russell, seconded by Mr. Tegatz, to approve the following Thompson's Point leases as follows:

- Terminate the lease to Ruth G. Nye (f/k/a Ruth G. Becker) for Lot 21 at 2579 Thompson's Point Road;
- Approve a new lease to BCS Real Estate Holdings, Inc. for Lot 21 at 2579 Thompson's Point Road;
- Terminate the lease to Kim Dee Fleischer and Mitchell R. Fleischer, or their successors in trust, Co-Trustees of the Kim Dee Fleischer Revocable Trust u/a/d October 2, 1997 and Cynthia S. Curtis for Lots 172 and 173 at 660 and 690 North Shore Road, respectively; and
- Approve a new lease to Donald E. Harrington and Cynthia S. Curtis and Arthur W. Curtis, Jr., Co-Trustees of the Cynthia S. Curtis Trust u/t/a October 11, 2004 for Lots 172 and 173 at 660 and 690 North Shore Road, respectively.

VOTE 5 ayes; motion carried.

Mr. Tegatz signed the documents.

MINUTES: DECEMBER 8, DECEMBER 11

MOTION by Mr. Krasnow, seconded by Mr. Russell, to approve the Charlotte Selectboard minutes of December 8, 2014, as written with edits as follows:

- Page 4, line 143 – replace “50” with “53”;
- Page 6, line 240 – replace “\$35,000-40,000” with “not to exceed \$28,000”.

VOTE 5 ayes; motion carried.

SELECTBOARD UPDATES

Ms. Russell reported that she and Mr. Morrison would meet with the CVFRS Corporate Board Tuesday, December 16, 2014, and handed out a written memo of comments for Selectboard review.

Mr. Krasnow reported that he would go on a ride-along with Trooper Daley Tuesday, or Wednesday.

Mr. Morrison suggested that a speed sign was needed from the ferry landing to the train tracks on Lake Road/Ferry Road. The new speed cart could be placed at one of two locations on Ferry Road to collect data, said Mr. Morrison.

Mr. Krasnow reported that the speed cart had a December 22, 2014 delivery date.

Selectboard meetings were scheduled for Friday, December 19, 2014 at 2:00 p.m., and Monday, January 5, 2015.

APPROVE WARRANTS TO PAY BILLS

The Selectboard signed warrants to pay bills.

The Selectboard signed the document to engage Stitzel, Page and Fletcher, PC.

ADJOURNMENT

MOTION by Mr. Russell, seconded by Mr. Krasnow, to adjourn the meeting.

VOTE: 5 ayes; motion carried.

The meeting was adjourned at 9:20 p.m.

Minutes respectfully submitted, Kathlyn L. Furr, Recording Secretary.