

**CHARLOTTE SELECTBOARD  
TOWN HALL  
MINUTES OF MEETING  
JUNE 12, 2012**

**APPROVED**

**MEMBERS PRESENT:** Charles Russell, Chair; Ed Stone, John Owen, Dennis Delaney, Winslow Ladue.

**ADMINISTRATION:** Dean Bloch, Selectboard Assistant.

**OTHERS:** Ian Pomerville, Peter Trono, Patrice Machavern, Tom Nola, Moe Harvey, Lindsay Longe, Chris Mack, Heather Manning, Meg Modley, Mary Mead, Chris Davis, John Snow, Devin St George, David Stuart, Joe Juhasz, Robert Mack, Kyle Midura, WCAX; Mark Cleman, WCAX; Nancy Wood, Charlotte News; Carol Casey, Charlotte Citizen, and others.

**CALL TO ORDER**

Mr. Russell called the meeting to order at 5:10 p.m.

**ADJUSTMENTS TO AGENDA**

None.

**PUBLIC COMMENTS**

Ms. Machavern, resident, reviewed comments in an e-mail she sent to the Selectboard regarding a motion approved at the 06/11/2012 Selectboard meeting related to a donation of \$1,000 from a Town Miscellaneous Income line item in memory of Chris Rockwood. The Town votes to donate funds to 11 organizations each year at Town Meeting and any donations should follow that route. She has questions and concerns. Did the Selectboard have a policy regarding donations, or should there be an article approved at Town meeting, asked Ms. Machavern. Mr. Russell said he didn't think that an article or policy was necessary. The Selectboard has broad discretion to do Town business. The issue could be put on a future Selectboard agenda, said Mr. Russell.

**CHARLOTTE VOLUNTEER FIRE AND RESCUE SERVICES, INC – DEVELOP A SCHEDULE FOR CONSIDERING STRUCUTRAL CHANGES AT CVFRS, AND ITS RELATIONSHIP WITH THE TOWN – discussion only**

Mr. Russell asked for a general discussion regarding Fire and Rescue overtime pay. One and one-half times the rate was standard. UVM's rescue paid double time, said Mr. Russell. Mr. Pomerville explained that holiday pay was a normal benefit. A rescue squad must be open 365 days, and 24/7. There were 6 holidays for which staff could be paid the one and one-half times rate. However, the department makes every effort to have a volunteer cover holidays to offset those costs. There was a process in place to avoid over time rates as follows - overtime was not scheduled, those willing to go overtime were put on at the back of a shift schedule as a last ditch effort to keep the department 'in service'. An employee can't sign up for shifts for overtime and there were parameters in place to

notify the Chief if someone was punching in ahead, or after time. Reports are cleared and validated, explained Mr. Pomerville.

Mr. Pomerville reviewed a planned purchased of EMS E-schedule software at \$200 per month. The department negotiated an extended 60-day trial period in order to populate the data and try it out. The purchase was set up to pay a year in advance for a 25 percent savings, said Mr. Pomerville.

Mr. Trono asked how many were paid employees at the Rescue department. Mr. Pomerville replied there were 13 currently and 1 or 2 more were needed. The department has 2 ambulances. One is a back up vehicle to prevent any 'out of service' times. The 2005 ambulance is the one that had the mechanical problems. The department is pursuing action through the Ford warranty, said Mr. Pomerville. Mr. Davis said that the ambulance has always been worked on by the Ford warranty service. There is a class action suit against Ford regarding that particular engine. The Town may have to spend some legal fees to pursue the Ford issue, said Mr. Davis. Mr. Pomerville explained that Ford was saying that work done had voided the warranty. Ford said there was a 'foreign object' in the engine, said Mr. Pomerville.

Mr. Russell referred to a June 4, 2012, draft Notes in Preparation for Discussion Between the Charlotte Selectboard and Charlotte Volunteer Fire and Rescue Service outline. Next steps could include scheduling, listing the Town and Fire and Rescue needs, re-organizational efforts, defining the processes and a discussion on the relationship between the Board and Fire and Rescue. He was comfortable with brainstorming to work through the issues, said Mr. Russell.

Mr. Delaney said it would be helpful to hear how some surrounding towns handle both a corporation side and town side. Mr. Pomerville noted that Essex Town was a separate, but town funded service that is a private organization that contracts with the town. Colchester and Shelburne have town organization models that show how funds flowed and got approved. Essex and Colchester were one-half paid staff and one-half volunteer like Charlotte, said Mr. Pomerville.

Mr. Pomerville suggested utilizing one paid person to oversee the organization and answer to the Selectboard. The Town and department have been lax in that area. The Board structure includes a Selectboard member, two town resident members, and an Executive Committee of the department. All have a vote and are included in discussions. A paid manager/head of Rescue would answer to the Executive Board, said Mr. Pomerville.

Mr. Delaney asked what the salary of a paid person would range. Mr. Pomerville replied that a full time Executive Director salary would be in the \$50-70,000 range, with benefits.

Mr. Owen reviewed that currently the Town funds Fire and Rescue at 98 percent, owns the equipment and building. How would a different organization be funded, asked Mr.

Owen. Mr. Pomerville replied that a unique challenge is the call volume of the department. A high call volume department can pay for its service. Colchester was a town run department and it would be interesting to see how it was funded, suggested Mr. Pomerville.

Mr. Davis said the membership hasn't voted on what direction to go yet, but have discussed it. Alternatives were to hire one person, go with a hi-bred model, or a fully operated Town department. The department was willing to discuss options. Both Chiefs sit on the Executive Board and report to the Selectboard, and that fell out of practice. It is in the by-law structure and could be implemented again, said Mr. Davis.

Mr. Stone expressed concern regarding a salary of \$70-80,000 with benefits for a paid position. The Selectboard was ready and willing to take over the department for 140 calls per year, said Mr. Stone. Mr. Pomerville suggested that the Town shouldn't eliminate a paid position. That would only eliminate the Executive Board if the Town took over. An administrator and payroll would still need to be paid, stated Mr. Pomerville.

Mr. Ladue said that a list of tasks could be developed from the Notes draft. That would give us an idea of what skill sets were needed and how to build personnel, said Mr. Ladue.

Mr. Delaney asked how positive morale could be built up. Mr. (Chris) Mack said that morale has been improving over the last 6 months. Mr. Pomerville said that the next elections are in July. There may be a large officer turnover due to that. All issues need to be addressed and we need to move in an agreed upon direction. After the June 4<sup>th</sup> meeting he thought everyone was on the same page. The reality is that everyone has their own feelings. He thought it would be OK and morale would increase, said Mr. Pomerville.

***ACTION ITEMS:***

- Generate a skill set for an Executive Director that includes a job description and position responsibilities (Fire and Rescue to do).
- Reach out to surrounding towns to identify challenges, how the departments work, benefits, management of the departments (Selectboard to do).
- Identify other options.
- Create a current structure of a combined Fire and Rescue, or have one Board.
- List current set of tasks and day-to-day issues for both departments.
- Create a working session structure (may be a monthly meeting, or two times per month basis), major changes to budget structure for March Town Meeting. Target November 1<sup>st</sup> to have a written structure.
- Identify a point person on the Selectboard and Fire and Rescue to receive and disseminate information.
- Discussions to be done at a properly warned public meeting - for example; E-scheduling software purchase.
- Draft topics and key points for an SOP.
- Draft Fire and Rescue policies and operating procedures with checks and balances in place (Fire and Rescue to do for Selectboard information).

- Forward Fire and Rescue By-law copies to the Selectboard.
- Outline of the Chiefs' duties (Fire and Rescue to do).
- Identify Town and Rescue relationship (Selectboard to do).
- Prepare a plan to replace Kay Gault and outline a job description – e-mail to Town staff and Selectboard (Chief Davis to do).

Mr. Delaney spoke in support of continued full Selectboard involvement versus using a point person.

Meeting Schedule:

Joint meeting Monday June 26<sup>th</sup>, 7:00 p.m.

### **DETERMINE THE SCOPE OF THE CVFRS AUDIT**

Mr. Russell briefly reviewed recent Fire and Rescue audit issues, and assistance offered by the State Auditor's Office. The Selectboard selected Bonnie Betchelder Associates at the 06/11/2012 meeting to perform an audit, said Mr. Russell.

Mr. Juhasz, Deputy State Auditor, said it made sense to hire the Betchelder Associates since that firm has done Town audits for Charlotte. A non-audit review was preformed by the State Auditor's staff, and a May 21, 2012 letter was sent to the Town with findings. No wrong doing was found. The following issues were found: a poor process, lack of oversight/controls and lack of polices. Those items could be addressed and fixed once the relationship between the Town and Fire and Rescue were on a sound footing, suggested Mr. Juhasz.

Mr. Juhasz said that there were patient billing issues. The State Auditor's Office recommended drafting a Scope of Audit with agreed upon procedures. Look at areas of greatest concern and conduct a financial risk assessment of the Town's structure and investigate those risks. Start with the staff that would do those functions and write down who writes the checks, who reconciles bank accounts and financial statements, said Mr. Juhasz.

Mr. Stone spoke against spending \$5,500 per year for an audit. He heard that the Town and Fire and Rescue were working out issues, said Mr. Stone. Mr. Juhasz said it is a political decision. He wouldn't spend \$25,000 to chase down a \$5,000 error. A full blown audit was not needed. The Town needs to detail their policies and process. Look at accounting entries made - for example; posting entries 2-3 months into a new year versus the old year need to be fixed. Betchelder has done a one year audit and seem competent, said Mr. Juhasz.

Mr. Delaney asked for clarification. Mr. Juhasz reiterated that an agreed upon procedure could be a decision to identify areas of concern and work on those areas. Order will tell you what poor practices you have. It is a 'swat' process. Determine the risks and what likely hood it could happen. If there is a risk and it is low, then it may not be an area of concern. It there is a high risk of errors in billing and the likelihood is significant, and

then design those processes first. There are control and policy samples used by other towns that Charlotte could use. VLCT has samples of policies, said Mr. Juhasz.

Mr. Russell asked if patient billing and vendor billing should be reviewed. Mr. Juhasz explained that the state looked at the vendor list and nothing popped out. The Town could start at the Betchelder Associates audit of bank accounts from July 1<sup>st</sup> to January 1<sup>st</sup>, and ending numbers and starting numbers. Ms. Mead took over in February and if you are happy with that number then go back to the previous July 1<sup>st</sup>. The Town has a full audit done every year. Look at cash flow accounting and bank statements. The state didn't find anything strange with vendors or the payroll list said Mr. Juhasz.

Mr. Ladue asked if the Town should consider a concept of splitting the RFP into stages and then deciding if additional areas should be looked at. Mr. Juhasz suggested that the Town sit down with Ms. Betchelder.

Mr. Stone suggested that the three elected Town auditors do a good job. As Ms. Mead continues she will bring things to the Selectboard attention. The Selectboard could then bring that to Fire and Rescue, who would provide answers, said Mr. Stone. Mr. Juhasz reiterated that the Town needs good controls and segregation of duties. Ms. Mead's work should be reviewed by someone else. The problem could be an error. Elected auditors are good for that work, said Mr. Juhasz.

Ms. Machavern pointed out that adjusting entries have to be posted in the same financial year in order to make sense. Page 10 of the Betchelder Town audit, Compensation schedule, shows \$3,664 and a \$1,800 credit. The starting number was under \$2,000, said Ms. Machavern.

Mr. (Chris) Mack said that Ray Curtis and Linda Foote were willing to assist with an audit.

#### NEXT STEPS:

- Meet with Betchelder Associates for a review of the last 7 months financials.
- Provide 5 years of patient billing.
- Do a risk analysis with the assistance of Ms. Betchelder and Ms. Mead.

Mr. (Robert) Mack asked a question related to differences between a beginning balance of \$142,000 and expenditures of \$430,000.

Mr. Nola stated that he found the discussions distressing as a resident and tax payer. He didn't know what could be done about a perceived cloud over the Fire and Rescue departments, said Mr. Nola.

Mr. Russell thanked the assemblage for their comments and input.

#### ADJOURNMENT

**MOTION by Mr. Owen, seconded by Mr. Ladue, to adjourn the meeting.**

**VOTE: 5 ayes; motion carried.**

The meeting was adjourned at 6:45 p.m.

Respectfully submitted, Kathlyn Furr, Recording Secretary