

**CHARLOTTE TOWN AUDITORS**  
**Minutes of the Monday, August 12, 2013, Meeting**  
**At the Charlotte Town Hall**

Present: Town Auditors Peter Trono, Robert Mack and Nancy Wood, chair  
Others: Selectboard Chair Charles Russell and Stephen Brooks

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

The minutes of the July 8, 2013, meeting were approved on a motion by Trono, seconded by Mack, all in favor.

A draft agreement between the Town and CVFRS regarding the deposit of patient billing revenue and an associated adjustment of the Town's support of CVFRS' operating expenses was discussed. The agreement would allow CVFRS to keep all revenues from patient billing, and the Town would reduce its FY 2014 appropriation by the amount of revenue that was budgeted for this fiscal year (\$618,650 appropriation would be reduced by \$110,000 budgeted revenue). Russell said that this approach would provide an incentive for CVFRS to bring in as much revenue as possible through patient billing. Mack questioned what would happen if they fell short of the \$110,000 – would the Town then increase the appropriation? Russell said that under the proposed agreements with the Town, CVFRS would “own both their deficits and their surpluses” and it would be up to them to make up the difference. Brooks noted that 60% of the calls made by Charlotte Rescue are out of town. No formal recommendations were acted on; Wood and Trono were in general agreement with the proposal while Mack said he didn't see the upside.

There was continued discussion of charges to the Rice Lumber account by a non-town employee for purchases of tools and other non-material items during 2008-2012. Mack presented a letter he drafted with recommendations to the Selectboard. After discussion the letter was revised for presentation to the Board the same evening. Final letter is attached to these minutes.

At 4 pm Trono moved to adjourn the meeting, with the understanding that all of the auditors expected to be at the Selectboard meeting at 8:30 pm to present the letter. Auditors were in attendance at the meeting, which adjourned at about 10 pm.

Attachment: August 12, 2013, letter to the Selectboard Re: Richard St. George purchases on municipal charge account at Rice Lumber.

*Minutes of the August 12, 2013, meeting were approved at the September 3, 2013, meeting.*

Charlotte Board of Auditors  
Town Hall  
159 Ferry Road  
Charlotte, VT 05445

Charlotte Selectboard  
Town Hall  
159 Ferry Road  
Charlotte, VT 05445

August 12, 2013

Re: Richard St. George purchases on municipal charge account at Rice Lumber

Dear Selectboard,

In May of this year, it was brought to your attention that certain purchases on the Town's charge account at Rice Lumber may have been improper. All of the referred purchases were signed for by Richard St. George. We reviewed purchases of tools and miscellaneous items totaling \$1707.59 related to repairs at the Senior Center during 2008 - 2011, and \$2149.01 of purchases related to repairs at the Town Hall during 2010 and 2011, for a total of \$3856.60.

In June, Selectboard Chair Charles Russell stated that the Board would be too busy to address the matter until its first meeting in August. Tonight, being the first regular meeting in August, we note that this topic has not been included on the published agenda.

Chair Russell has previously indicated that Mr. St. George's authority respecting use of the Rice Lumber Town charge account was limited to the purchasing of building materials to be utilized for repairs on Town buildings. The questionable charges are all for tools, tool accessories and materials that carpenters are expected to provide during the execution of their work. It should be noted that Danton Construction has confirmed that with the exception of one saw blade, their work crew consumed none of the herein referred types of items during their recently completed replacement of 16 windows and extensive exterior trim at the Town Hall.

We recommend that the Selectboard conduct a thorough review of the Town's agreement(s) with Mr. St. George and the charges made, with the assistance of a third party familiar with the trade and type of work performed. If it is determined that improper purchases were made, appropriate action should be taken, which could include prohibiting Mr. St. George from further work on Town property, reimbursement to the Town of the cost of inappropriate purchases, and provision for the remission of appropriate related sales taxes to the State of Vermont. In addition, as previously recommended by the Town Auditors, we recommend that a purchase order/pre-authorization policy be formalized as soon as possible that limits charges to Town accounts.

Sincerely,  
Charlotte Board of Auditors

Robert L. Mack, Jr.

J. Peter Trono

Nancy E. Wood, Chair

CC:  
Charles Russell  
Winslow Ladue  
John Owen  
Lane Morrison  
Eleanor Russell  
Richard St. George  
Board of Directors, Charlotte Senior Center  
Board of Directors, CVFRS  
Batchelder Associates, P.C.