

Selectboard Meeting Minutes

Monday, November 11, 2019 at 7pm at the Calais Town Offices

Present: Denise Wheeler (Chair), Rose Pelchuck (Member), Sharon Winn Fannon (Member), Clif Emmons (Member), Jerome Lipani (ORCA), Katie Lane-Karnas (Recording Secretary), Steve Gray, Sandra Ferver (Town Treasurer, attending by speaker phone at 7:40), Fred Duplessis, CPA (attending by speaker phone at 7:40)

Absent: John Brabant (Vice Chair)

1. Call to Order: Denise Wheeler called the meeting to order at 7:02 pm.
2. Public Comment: The Board commented that on this day, they honor all members of our military, in all branches, past and present, living and dead and their families. Thank you for your service and sacrifice.
3. Review, Additions/Changes to Agenda: None.
4. Mt. Tamers Snowmobile Club; VAST Trails: Snowmobile season runs December 16-April 14; the Road Commissioner and Operations Manager reported that there were no concerns last winter. Mt. Tamers are once again requesting Selectboard approval for their use of plowed highways for 2019-2020 snowmobile season (there are no changes from last year). The group reviewed a list of Town highway crossings proposed for use by the snowmobiling public. The Board appreciated the Club's communication and work with private landowners. Rose Pelchuck made a motion to approve the request by the Mt. Tamers Snowmobile Club for the 2019-2020 snowmobile season, as presented by Steve Gray. Clif Emmons seconded, and the motion passed 4-0.
5. Updates/Reports
 - a) Road Commissioner and Operations Manager: This item was not needed.
6. Appointment of Zoning Administrator: The Chair reviewed the process the Planning Commission (PC) followed in pursuing hiring a zoning administrator (ZA). Four applicants responded (none are Calais residents). Bob Martin, ZA from Woodbury, responded enthusiastically about the position and salary. The group reviewed his resume and discussed their positive experience with him in a few capacities. The PC recommended the appointment of Bob Martin, effective January 1. (The plan has been for John McCullough to work with the new ZA for six months' training.) The PC recommends to the Selectboard, the Selectboard appoints the ZA, and the Selectboard is the employer of the ZA (including responsibility in the case of termination). The Board appreciated the work that Dot Naylor and John McCullough have done in continuing to fulfill the responsibilities of ZA until a new candidate could be identified. Sharon Winn Fannon made a motion to appoint Bob Martin, particularly because

of the PC's recommendation, as Zoning Administrator, effective January 1, for a three-year term. Clif Emmons seconded, and the motion passed 4-0.

7. Maple Corner Store Liquor License: The Board planned to restore the Maple Corner Store liquor license, but the document could not be located. Clif Emmons made a motion to authorize Denise Wheeler to sign the document on behalf of the Selectboard, if the need arises. The motion was seconded, and passed 4-0.
8. Cemetery Sexton Wyatt Healy: Rose Pelchuck made a motion for the Selectboard to approve the letter of appreciation and gratitude for Wyatt Healy having served as Calais cemetery sexton for twenty years. Clif Emmons seconded and the motion passed 4-0.
9. IT update: This item was tabled until a subsequent meeting.
10. Chair Update
 - The Chair received a call that Elizabeth Shedd's horses were once again on another resident's property (noting as well that one of the horses had been sick with a potentially contagious horse illness, and that they have broken fences). The Board regretted that there is very little recourse the Town has access to for resolving this ongoing situation; they have met with Rep. Ancel who has drafted legislation to address roaming livestock. They noted that any drafted legislation will also necessitate some enforcement "teeth," along with help from an appropriate agency for follow up.
 - The Board will schedule a meeting with surrounding towns and legislators to revise animal control statutory language.
 - CVFiber's annual report and proposed budget will be reviewed at the 11/25/19 meeting.
 - The North Calais Memorial Hall Association (NCMHA) will meet with the Selectboard at the 11/25/19 meeting. NCMHA was charged with completing an itemized list of criteria, signed by the Selectboard, as prerequisite for release of the pledged Conservation funds (in the amount of \$50,000). The NCMHA will also approach the Selectboard for permission for tax exempt status. This will involve learning what the school and town share of the taxes are; the Board will consider whether to exempt both shares, only the town share, or neither. The Board discussed how the building paying its own taxes is part of the gift to the Town; rental fees for events like weddings may contribute to tax expense.
 - School bus tires appropriate for winter will be installed on busses for this winter. (The Selectboard has pursued this issue with the school board following an incident last winter.) The unified school district should include a line item for all five schools to subscribe to Roger Hill's forecast to keep drivers well informed of conditions.
 - The Chair and Road Commissioner are working on the traffic ordinance.
11. Sullivan & Powers Audit Report: The Town Treasurer and Fred Duplessis, CPA, Sullivan & Powers, attended by speaker phone. Fred Duplessis explained that the audit was performed using standards required by state statute. The group reviewed prepared audit reports in detail.

The type or kind of auditing performed in Calais is called "modified cash basis." The cemetery investments are not following this basis of accounting; all other monies are. Fred Duplessis

explained that any Town investments are recorded at current market value rather than historical cost as required by the modified cash basis of accounting. Therefore, the auditors recommended that the Town research the historical cost of the cemetery investments, or liquidate its holdings and establish a new cost basis (sell and then rebuy the investment to get the modified cash basis established). The Town Treasurer commented that the Trustees of Public Funds are adamant that this is not what they prefer. Fred Duplessis clarified that there is nothing “wrong” with the way the town is doing this, the auditors simply must identify this difference. The Town Treasurer will gain the document with the original investment amount to resolve this difference. The Trustees of Public Funds will be shared this document as well. The Board clarified that the Town taking no action on this point is not a “problem;” the opinion would simply be stated again each audit.

Fred Duplessis noted that there is a “very healthy” fund balance to make sure cash flow in the general fund is covered. He noted that the Highway Fund transfers any excess to the Highway Capital Fund, which is why that fund shows zero at the end of the year (approximately \$69,000 was transferred over, as decided by the voters). They reviewed explanatory footnotes, noting that the pension plan is required as part of VMERS.

All in all, the Town was about as close to break even as Fred Duplessis has seen. Variances were both positive and negative, but overall it came out close to break even. The auditors’ report summarized “Deficiencies in Internal Control” and listed nothing for “material weaknesses.” There was a single “significant deficiency,” which was described as “authorization general journal entries.” Fred Duplessis explained the Town should enact a policy that requires appropriate officials to authorize all general journal entries (NEMRC) so as not to circumvent the original approval process, and the Town Treasurer has already created a solution for going forward that Fred Duplessis confirmed as perfect. Other recommendations from the audit included:

- a fraud policy (VLCT’s sample will be utilized);
- a fraud risk assessment;
- documentation of internal control system;
- the Board and Town Treasurer meet to discuss an investment and banking policy;
- decide on this historical cost of the Cemetery Fund investment (as discussed above).

The Board discussed that overall, the Town did very well and appreciated the good work of the Town Treasurer.

12. Sullivan & Powers Contract for Services FY 20, 21 and 22: The Town has engaged Sullivan & Powers for a couple of years now; the contact cost increases slightly for FY 20, 21, 22. Denise Wheeler made a motion to approve the engagement letter containing the Sullivan & Powers Scope of Services Contract for the years ending 20, 21 and 22 for financial audit. Clif Emmons seconded, and the motion passed 4-0.
13. Review and approve minutes, warrants
 - a) The Board reviewed the invoices and orders were processed for payment.
 - b) Sharon Winn Fannon moved and Clif Emmons seconded to approve the minutes of the 10-28-2019 meeting, with the changes as noted; the motion passed 4-0.

14. Executive Session for Personnel Matters: Rose Pelchuck made a motion to go into Executive Session at 8:16 pm per 1 V.S.A. subsection 313 (a) (3), personnel matters. The motion was seconded, voted on and carried 4-0. The Board resumed Regular Session at 9:55 pm. The Chair had nothing to report publicly.
15. Other Business/Old Business/New Business: None.
16. Adjournment: Clif Emmons made a motion to adjourn at 9:56 pm. The motion was seconded, voted on and carried 4-0.

Date: 11/13/2019 Respectfully Submitted, Katie Lane-Karnas, Recording Secretary
Approved by the Selectboard at the 11/25/2019 meeting

Click on the link below to view documents associated with this agenda:
<https://drive.google.com/open?id=1OwvM5QOioVVgTiY69wKLJDonBe2MCzD6>