*Town of Panton Chartered 1761*

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**Selectboard Meeting Minutes**
**August 12, 2024**

In attendance: Selectboard Chair Howard Hall, Selectboard Vice-Chair Teresa Boucher, Emergency Management Coordinator Bob Groff, Road Foreman Rick Cloutier, Town Clerk & Treasurer Maggie McCormick, Jeanne Jackson, Richard Jackson, Cindy Cooke, Kathy Kennett, M'Lissa Dayton, Jamie Dayton, Sharon Ashcraft, Diane Merrill, Mary Rudd

Via Zoom: Reed Wills, Steve Weber, Chris Wyckoff

**AGENDA**

1. Howard called the meeting to order at 5:31 p.m.

2. Additions/deletions to the agenda: None.

3. Approval of the minutes of the July 22, 2024 Selectboard meeting
    a. Teresa moved to accept the minutes as written. Howard seconded. All in favor; the motion passed.

4. Road Foreman's report
    a. The culverts on West Road are repaired and one more driveway culvert to work on.
    b. Rick stated there is no FEMA money.
    c. Concerns
        i. Tom Saltus on Panton Road needs 4'culvert
        ii. Doug Dow 5' culvert on East Rd
    d. He had to delay paving the repaired culverts on Jersey and Pease.
    e. He and Jeff will repair a broken track on excavator
    f. He and Jeff are also trying to keep up with roadside mowing
    g. He and Jeff spent time on Friday night and Saturday morning clearing downed trees and limbs.
        1. The Vorstevelds moved trees off Jersey Street.

h. Rick asked if he should go ahead and order culverts. Cost of culverts can be taken from the Highway Capital Project Fund with a balance of approximately $115,000.
i. Rick reported that model year 2027 trucks will cost an additional $25,000 due to new emissions standards.
j. Howard asked about the new pickup and no delivery date has been given.
k. Neighboring towns have been excellent mutual aid

5. Emergency Management Coordinator's report
    a. The Emergency Management Department (EMD) meeting on Wednesday focused on addressing recovery needs from a multi-town perspective.
    b. EMD meetings are being held twice weekly on Mondays and Wednesdays.
    c. VLCT is holding monthly meetings mostly discussing removal of debris and damage to structures.
    d. Bob continues to post to Front Porch Forum on road and weather conditions
    e. No power losses in Panton due to Friday's storm
    f. FEMA has no money and will only provide money for immediate needs only
        i. Howard asked if Addison County will meet the threshold for receiving aid? Bob believes the threshold will be met but there is no FEMA money until Congress acts
        ii. The three hardest-hit counties received some funds.
        iii. State Emergency Operations Commission is still activated
        iv. Howard thanked Bob for keeping community informed and working with Rick about road work.

6. Meeting Room Acoustics
    a. Calkins (town's managed IT contractor) recommended two contractors:
        i. FuzzBuzz – given $2500 as budget and got back to Maggie saying that acoustic panels would be at least $5000.
        ii. Audio Visual Environments
            1. Two microphone options presented
            2. One is a multi-mic option for about $3600. The second is a $9000 ceiling-mounted microphone.
            3. Will forward acoustic panel estimates when he has them

    Kathy Kennett asked for clarification on the proposed microphone solution as a tool that will enhance the in-person audio experience as well as the online experience.

        iii. Another option is daisy-chaining more of the existing JabraSpeak speaker/microphones at $300/each.

7. Accounting discussion (M'Lissa Dayton)

   Summary of Main ideas presented to Selectboard 8-12-24 provided my M'Lissa via email on 8/26/2024 at 5:04 p.m.:

**Summary of Main ideas presented to Selectboard 8-12-24:**

- **Background and Sources**: As a former Town Treasurer and CPA, information was gathered from public documents, Selectboard minutes, Town Reports, and the NEMRC accounting program to discuss financial accountability.
- **Charter Amendment**: In 2014, Panton amended its charter to change the Clerk, Treasurer, and Delinquent Tax Collector from elected to appointed positions to widen the candidate pool to include non-residents and ensure required skills.
- **Financial Reporting Issues**: Financial reports were consistently presented to the Selectboard monthly by previous Treasurers, but recent records show only one financial report for FY23 and none for FY24, indicating a lack of timely financial reporting.
- **Statutory Requirements**: Vermont statute 24 V.S.A. § 1571 outlines the Treasurer's duties, including keeping accounts of town monies, filing quarterly reports with the Selectboard, and completing an internal financial controls document annually.
- **Deficit and Financial Errors**: The town has faced a two-year running deficit in the Operating portion of the unassigned fund balance of $(28,499) at FYE23 when separating out the Emergency Fund portion, and errors such as overspending ARPA funds have been identified.
- **Internal Controls and Compliance**: The last Internal Controls Checklist was presented in 2020, and the current Treasurer has not submitted the required checklist for the past four years, raising concerns about compliance and financial oversight. There have been issues with the approval and payment of bills without proper review.
- **Audit Findings**: Audit reports for FY21, FY22, and FY23 highlighted material weaknesses and significant deficiencies in internal controls, particularly the reconciliation of balance sheet and liability accounts, with no evidence of resolution.
- **Recommendations and Questions**: Questions the Selectboard's plan to address the deficit and improve financial monitoring, emphasizing the need for accurate and timely information for informed decision-making.

From Mary Rudd via email received on August 27, 2024 at 1:12 p.m.:

Comparing the minutes to the audio recording: purchase of additional culverts was proposed to utilize Emergency or Reserve road funds or "killing the capital fund". The minutes reflect usage of the capital fund. It was later pointed out that utilization of the "reserve" or "emergency" fund requires prior warning.

Item 7

(e) (iv) 24VSA1571 requires the quarterly filing of financial budget reports with the legislative body (select board) as well as by June 30 annually the completed Internal financial controls checklist.

Only one mention in the last 2 fiscal years of a financial report on July 10 2023 is in the select board minutes and it was noted that this was after the FY ended when no action could be taken by the board. There is no evidence of quarterly reporting for FY 2024.

(e)(v) No mention in the selectboard minutes of completed Internal Financial Controls Checklist being provided to the Selectboard

(e)(vi) the outside auditor reports are provided after the FY ends and do not qualify as Treasurer Reports.

(e)(vii) $28499 running deficit not inclusive of $57,050K reserve fund which has specific conditions for use, but the auditors did combine the amounts for reporting.

An example of consequences of not having accurate and timely financial reporting was provided. Was the board aware at the end of FY 23 that the ARPA funds were overspent by $5376, which the auditors which the auditors reclassified from the General fund. In FY 24 $8900 was authorized and paid 8/23 from ARPA funds, but there were no funds available. This will have to come from the General Fund to cover the expense. The select board could have voted to use building maintenance reserve fund at the time payment if it was know that the ARPA fund was spent down. It did not happen per the minutes.

(e)(TBD) as of August 24, 2015 Treasures are required to complete the Internal Financial Controls Checklist. In the last 4 years there is no evidence in the minutes that this has been presented to the Select Board.

(e) (TBD) AP warrant has been presented to the Board without the actual bills for review and comparison to the bills. A single person is receiving, approving and paying bills without another individual reviewing. Highway bills are going right to the office without being approved by the road foreman.

(e)(TBD) Audit report from Jan 9, 2023 included a warning that the auditors had seen 2 fraud cases in the last year and wanted to remind the selectboard that it is their responsibility to monitor the town finances.

(e)(ix) The last three years of audit reports have included a schedule of findings and deficiencies internal control such that material mis-statements may not be prevented or detected for correction in a timely manner.

Auditors on Feb 22, 2022 and identified material weaknesses as accounts were not up to date by Mid March, there is no evidence this was corrected as it happened again the next year. The town response was in agreement and said that the town will update the procedures to reconcile the liability accounts, but there is no evidence that anything has been implemented.

(e)(x) and monitor the current spending, and who is monitoring the budget.

a. M'Lissa expressed concern that the Town Report contains names and birth and death dates and that that information should not be published due to identity theft concerns. Cited Vermont Law passed in 2018 about how people obtain birth certificates and believes birth and death information is confidential and shouldn't be published.

b. M'Lissa suggested the IT/Digitization Fund could be used to cover acoustic improvements at Town Hall.
c. M'Lissa stated that the Selectboard should refrain from setting the municipal tax rate because Article 4 is incorrect. She believes that with the approval of Articles 3 Reserve Funds, Article 4 Budget, and Article 5 Social Service Appropriations the voters approved the amounts in each article to be raised by taxes and the three amounts add up to $1,129,693. Article 4 states $1,039,943 to be raised by taxes. M'Lissa asked the Selectboard to investigate and rectify this.
d. M'Lissa stated that the FY25 budget is 32.9% above the FY24 budget.
e. M'Lissa read from a prepared statement. The main points were:
    i. In 2014, Panton voters approved a change to the Town charter to separate the positions of clerk and treasurer.
    ii. The Treasurer is an officer of the Town first.
    iii. Budget reports should be presented to and reviewed by the Selectboard monthly.
    iv. Treasurer is to file quarterly reports to the Selectboard.
    v. Treasurer has duty to provide internal financial control reports to the selectboard as of June 30 each year.
    vi. Outside audits have been conducted annually, but that is not the same.
    vii. Cited a 2-year operating deficit of $28,000.
    viii. Cited FY23 ARPA funds overspent by $8900 for town hall painting.
    ix. The professional auditors have pointed out controls deficiencies that the selectboard has not addressed.
    x. Asked what the selectboard planned to do to reduce the carryover deficit.
    xi. Asked if the selectboard had been given the information they need to make informed decisions.
    xii. Stated that to authorize use of reserve funds, the Selectboard must warn it on the agenda. Teresa will address the question with the VLCT.

8. Voter petition for ballot question on Viridis solar development
    a. Teresa stated that the Town wanted to develop a good question to put on the November ballot. Language for ballot
        i. Non-binding, up or down vote
    b. Teresa suggested creating a fact sheet of pros and cons for people who may not have been to any of the meetings.
    c. Just because the Town does not want it does not mean the PUC is prevented from approving the development.

d. PUC denial could result in the developer going to supreme court to challenge the denial.
e. August 19 is the deadline to add the question to the ballot. The Selectboard must vote on the language at tonight's meeting to meet this deadline.
f. Kathy Kennett asked who would produce the fact sheet.
g. Sharon asked if residents could add to the pros and cons on the fact sheet and Teresa clarified they would create a "fact sheet."
h. Howard noted that the DRB/PC is a separate board from the Selectboard and that the DRB/PC doesn't answer to Selectboard.

Maggie read the proposed ballot question language provided by the Town's attorney Leslie Cadwell:

"Shall the Town of Panton support development of the 50 MW Viridis Solar Project, proposed by VT Real Estate Holdings 3 LLC d/b/a Viridis Solar, on land owned by Theodore Marszalkowski and Vorsteveld Farm LLP that is located outside the Panton Enhanced Energy Plan's Preferred Energy Area?"

Kathy Kennett asked why there was no language about the 300

Teresa moved to accept the language as a non-binding referendum item question for the November 5, 2024 ballot. Howard seconded. All in favor; the motion passed.

9. Replacing contracted lister
    a. The currently contracted assessor gave notice that he was cancelling the contract with the Town.
    b. Maggie informed the board that VLCT legal responded that the Town's options for replacing the contracted lister are either hire a state-certified assessor or return to elected listers.
    c. Maggie noted there were no candidates for lister when they were last elected at Town Meeting in 2023.
    d. Howard stated he has no interest in returning to elected listers.

10. Vergennes-Panton Water District Representative Vacancy
    a. Meddie Perry has resigned his position.
    b. The Selectboard will make a notice that there is an open position, and they will appoint someone to the position until the Town Meeting election.

11. FY24 Audit
    a. Telling and Hillman has said they will schedule Panton's annual in late December to early January.
    b. Maggie has informed them that the Town Report publication deadline is February 22, 2025 and that it must be ready for the printer by February 14

and asked Sam Hillman if that deadline could be met with all the cooperation and assistance the Town can provide. No answer has been received yet.

c. Maggie reminded the board that the financial report is the only item statutorily required in the Town Report.
d. Howard will talk with Maggie about how to address the issue and report back at the next meeting.

12. Set tax rate/tax bill mailing
    a. Maggie suggested the board delay setting the tax rate to reconsider M'Lissa's concern about the correctness of the budget number.
    b. Maggie stated she understood M'Lissa's statement and that she spent a lot of time with the budget and checking the numbers to be certain they were correct but could not address that at this meeting.
    c. Maggie stated she should have time during the 13-hour election day on Tuesday to review the issue.
    d. Teresa offered to work with Maggie to review the numbers.

13. Town Hall Hours for August 22 to August 27
    a. Maggie is on vacation from Thursday, 8/22, returning to the office on Wednesday, 8/28. Maggie will be in the office Monday through Wednesday 8/19 through 8/21. Town Hall hours will be posted to the website, Front Porch Forum, and the town email list.

14. Public comment
    a. Diane Merrill: thanked M'Lissa and stated there is no insinuation of fraud and that it is important that the board receive and review financial reports.
    b. Sharon Ashcraft:
        i. read a statement from VLCT about the purpose of a Town Plan to guide development decisions.
        ii. Asked if copies of the letters sent to other municipalities for the November 2019 vote to adopt the energy plan were in the Town files.
        iii. Will property owners who don't live here have an opportunity to vote?
            1. Abutters will have input during PUC
            2. 45 days is giving notice that the plant to do Act 248
            3. People can write letters but won't impact town permission
            4. Letters better addressed to PUC.
            5. Selectboard will take the position as voted.

Kathy Kennett asked about getting a written copy of M'Lissa's presentation, since she made recommendations and the selectboard should have it to refer to. M'Lissa said she'd consider whether she wanted to provide that.

15. Communications
    a. Assistant clerk, Donna Oliver will attend the VMCTA conference in Montpelier in September
    b. Jackman's pre-buy for LPG
        i. LPG used for radiant heaters at garage.
        ii. Maggie reviewed the pre-buy options and the Selectboard decide to purchase 1500 gals in equal payments from August to November.
    c. Howard has a meeting with state Emergency Room doctor to discuss Vergennes Area Rescue Squad (VARS).
    d. The 5-towns will meet again to continue creating a way forward to increase VARS capability.

16. Review/approval of accounts payable warrant, timesheets & payroll warrant
    a. Payroll is $7,788.17
    b. AP is 55370.58

Teresa moved to approve the warrants and time sheets. Howard seconded. All in favor; the motion passed.

Denise Strona asked about the State Route 22A Right of Way (ROW) and if it extended to the culvert in her driveway. It was generally agreed that the culvert was within the state ROW. She was directed to call the VTrans garage in New Haven to see if the state would repair it.

17. Executive session to discuss personnel and legal matters

Howard moved to enter executive session to discuss personnel and legal matters. Teresa seconded. All in favor; the board entered executive session at 6:56 p.m.

Teresa moved to exit executive session. Howard seconded. All in favor; the board returned to open session at 7:15 p.m.

Howard stated no actions resulted from executive session.

18. Adjournment

Teresa moved to adjourn. Howard seconded. All in favor; the meeting was adjourned at 7:15 p.m.

Respectfully submitted,

Maggie McCormick
Town Clerk & Treasurer