

**VILLAGE OF LUDLOW
BOARD OF TRUSTEES**

REGULAR MEETING

6:00 PM

Tuesday, February 7, 2012

BOARD MEMBERS PRESENT:

Bob Gilmore

Jim Fuller

David Rose

STAFF PRESENT:

Frank Heald

OTHERS PRESENT:

Matt Gajewski – LPCTV

1. **Call to Order**

A. Chairman, Bob Gilmore called the meeting to order at 6:00 p.m., all members present.

2. **Approve Minutes from Previous Meetings**

A. Bob Gilmore advised the minutes to be approved are from the regular meeting of January 3, 2012.

B. **MOTION by David Rose and seconded by Jim Fuller to approve the minutes from January 3, 2012 as presented. Motion passed unanimously.**

3. **Comments From Citizens**

A. There were none.

4. **Okemo Realty Sewer Allocation Refund Request**

A. Bob Gilmore advised that a letter had been received from Okemo Realty requesting a refund for a sewer allocation. In 2006, they had applied for an allocation for a proposed development that was subsequently denied a permit by the DRB. The allocation came to a total amount of \$19,500.00.

B. **MOTION by David Rose and seconded by Jim Fuller to refund the allocation amount of \$19,500.00. Motion passed unanimously.**

5. **Coin Drop Request – BRHS Project Graduation**

A. David Rose advised that he is on the Project Graduation Committee. The group organizes a celebration for graduates that provides the students with a fun and safe evening that is alcohol and drug free. The committee would like to hold a coin drop on Saturday, May 5, 2012 from 10 AM to 2 PM on Main Street in front of Veterans' Park. The coin drop will be run by the parents and there will be no student involvement. David Rose advised that he will recuse himself from the vote as he is on the requesting committee.

B. Jim Fuller noted that this has been an annual event and is included as one of the 4 annual coin drops.

C. **MOTION BY Jim Fuller and seconded by Bob Gilmore to approve the request for the coin drop for Project Graduation. Motion passed unanimously.**

6. **Open Audit Services RFP**

- A. Frank Heald advised that 5 RFPs were sent out to Kittle, Branigan & Sargent, Telling & Associates, Fothergill, Segale & Valley, Graham & Graham, and Mudgett, Jennett & Drogh-Weisner. The only responses were from Fothergill, Segale & Valley and Graham & Graham.

<u>Firm Name</u>	<u>1st Year - 2012</u>	<u>2nd Year - 2013</u>	<u>3rd Year - 2014</u>	<u>Total</u>
Fothergill, Segale & Valley	\$10,750	\$11,250	\$11,750	\$33,750.00
Graham & Graham	\$28,800	\$31,500	\$33,000	\$93,300.00

- B. Jim Fuller noted that Fothergill, Segale & Valley are low bidders and asked if there had been any complaints with them.
- C. Frank Heald said no.
- D. David Rose said they are doing a good job.
- E. Bob Gilmore asked if Ulla Cook is pleased with them.
- F. Frank Heald said she is and he thinks they are doing a good job
- G. **MOTION by David Rose and seconded by Jim Fuller to go with the low bidder, Fothergill, Segale & Valley. Motion passed unanimously.**

7. **Certificate of Highway Mileage**

- A. Frank Heald advised that the mileage has not changed in many years.
- B. Board members signed the certificate.

8. **Finalize FY2013 Budget**

- A. Bob Gilmore noted that the projected increase is 1.89% over last year. He asked how that computed to dollars for tax payers.
- B. Frank Heald said 1/3¢ per \$100 of property value.
- C. MOTION by Jim Fuller and seconded by David Rose to accept the Village Budget for FY2013 as presented. Motion passed unanimously.
- D. Frank Heald said that the Water/Waste moved up for 2012 and 10% in 2013. They will need to increase rates another 6% on the sewer side for next year to accommodate borrowing and put money away. They have worked their way through most of the Capital Reserves. We thought we had more than we did. In addition, with construction being what it is, we did not selling as many sewer allocations as we expected. Also, we want to fund \$50,000 in Depreciation Expense for this fiscal year. We need to raise an additional \$33,000 and will need a rate increase of 6%. On the Water side, we projected an increase of \$80 more this year and got a \$116,000 green credit and reserves. The Commissioners voted to buy down \$200,000 of the loan, so we are down to a \$35/year increase. Water/Sewer should just about be a wash. The Water Commissioners passed the water budget last month.
- E. David Rose advised that the water project came in under budget.
- F. Frank Heald said they had \$1,200,000 in water grants.
- G. David Rose said with the additional increase the total increase comes to about 15-16%.
- H. Bob Gilmore said it seems justified.
- I. Frank Heald said it is driven by the need to fund the Capital Account by \$50,000 for FY 2013. He said the auditors take a very conservative view of reserves. We should have started the rate increases 3-4 years ago and we have had less new allocations.
- J. **MOTION by Jim Fuller and seconded by David Rose to accept the budget including the rate increases. Motion passed unanimously.**

9. **Other Business**

- A. **Timber Inn Request Letter**
- Frank Heald advised that a letter was received from the Timber Inn requesting credit for the time they were without full use of the property due to Irene. Frank Heald added that there were 3 businesses that were severely impacted, Shaw's, the Timber Inn and Sam's. We need to make sure they are treated fairly. He will bring recommendations to the next meeting.
 - General consensus of agreement by the board.
- B. **Management Letter and Auditors' Suggestions**

- i. Frank Heald advised that he had not yet received that Management Letter for the Village, but the Auditors had suggested 3 things for the town. They suggested Fraud, Conflict of Interest and Ambulance Collection Policies.
 - a. Based on things that have happened across the state and misappropriation of funds, they are suggesting a Fraud Policy. VLCT is also becoming more proactive regarding Fraud policies.
 - b. Frank Heald said that the office has an internal cash control procedure and there is a Purchasing Policy in place. He explained that department heads review invoices and compare to approved purchase orders. They pass the invoice over to Accounts payable for review. A/P forwards them to Frank Heald for review, along with checks. They then are passed to the Treasurer for review. Bank statements are reconciled by the Assistant Treasurer. He advised that Fothergill, Segale & Valley have an employee who has previous municipal office experience and is familiar with the accounting programs used by most Vermont towns. We believe that our system of controls is reasonable. We also believe that there has been no fraud.
 - ii. Frank Heald advised the board that the office published financial reports on the 3rd business day of the month that include a year to date Income & Expense report. We can provide you with copies of these reports. VLCT is concerned that boards are not reading or understanding reports. If you have any questions you can ask Frank Heald, Ulla Cook, Pam Cruickshank or Diane.
 - iii. Bob Gilmore asked if there have been problems in the state.
 - iv. Frank Heald said the Hardwick Electric Company bookkeeper and the Treasurer in Ira both embezzled funds. There was also a problem with the Solid Waste District. Frank Heald said that he believes that we have controls in place to reasonably prevent fraud.
 - v. David Rose said that he does get copies of the monthly reports and has since he got on the board.
 - vi. Frank Heald said they can get copies in the office.
 - vii. Jim Fuller asked if copies could be put in the folders and they could review them before meetings.
- C. Signs, Trash and Parking
- i. Bob Gilmore said the Business District and street signs need to be repaired.
 - ii. Frank Heald said he had recently received a picture of garbage put out on a Sunday about 2 weeks ago. He said that these incidents should be immediately reported to the Police.
 - iii. Bob Gilmore said that people going to the restaurant have been parking in front of town hall in the evenings.
 - iv. Frank Heald said they would need to put up NO PARKING signs.
 - v. Jim Fuller said that he would not like to see more signs.
 - vi. Frank Heald said that he had seen the cars on the previous evening, but it is also good to see the dining room full. It will be dealt with if it becomes a problem.
10. Set Date for Next Meeting
- A. The next meeting will be held on Tuesday, March 6, 2012 at 6:00 p.m.
 - B. Frank Heald advised that he will be on vacation from March 14th to the 23rd. He said that the Village Meeting will be on March 26, 2012. He added that petition deadlines are 40 days prior.
11. Sign Warrant Orders
- A. Warrant orders were signed.
12. Possible Executive Session/Contracts
- A. Frank Heald said that no Executive session was needed.
13. Adjourn

- A. **MOTION by David Rose and seconded by Jim Fuller to adjourn. Motion passed unanimously.**
- B. Meeting adjourned at 6:43 p.m.

Respectfully submitted,

Lisha Klaiber

Robert Gilmore, Chairman

David Rose

Jim Fuller