

Board Liaison Report

January 14, 2021

Presentation on Fiscal Year 2019 External Audit and General Discussion of the Forensic Audit:

- On January 12th in the evening, the Town finally received the FY 2019 external audit report. As stated previously, this was significantly delayed due to circumstances out of the Town's control.
- Included in this packet is my summary of the audit and general discussion of the forensic, which I am presenting here. I have also included the full audit and management letters for citizen review.

Presentation on Vermont Statutes Regarding Town Auditing Requirements:

- According to Vermont Statute, Towns are required to have either elected internal auditors OR a hired CPA for an annual audit. The Statute reads:
§ 2651b. Elimination of office of auditor; appointment of public accountant
(a)(1) A town may vote by ballot at an annual meeting to eliminate the office of town auditor.
(2)(A) If a town votes to eliminate the office of town auditor, the selectboard shall contract with a public accountant licensed in this State to perform an annual financial audit of all funds of the town except the funds audited pursuant to 16 V.S.A. § 323.
(B) Unless otherwise provided by law, the selectboard shall provide for all other auditor's duties to be performed.
- The trend of Vermont towns eliminating the position of internal auditor is also described IN the Vermont State Handbook for Elected Auditors. It is its own chapter in the Handbook, and comes before any content guiding elected auditors. That reads:
“CHAPTER 2 ELIMINATION OF THE OFFICE OF AUDITOR: Under 17 V.S.A. § 2651b, a town may vote by ballot at an annual town meeting to eliminate the office of town auditor. This authority extends to all towns, whether or not they have a charter provision covering election of auditors. If the town does vote to eliminate the office of auditor, the Selectboard of the town will then contract with a certified public accountant (CPA), who is licensed in Vermont, to perform an annual financial audit of all town funds. The Selectboard must also provide for all other services the elected auditors previously performed, including production of the annual town report. Section 2651b also provides that the terms of office of the auditors who are in office when the town votes to eliminate the office will expire on the 45th day after the vote, or on the date when the selectboard first contracts with a public accountant, whichever happens first. Each year, as municipal budgets grow and sources of revenue become more diverse, the task of auditing municipal financial records becomes more difficult. Presently, there is no legal requirement that locally elected auditors have any education or experience in bookkeeping or accounting. As a result, reliance upon locally elected auditors can sometimes create a false sense of municipal financial security. Accordingly, while VLCT continues to support the election of local auditors and their work, we recommend that towns that have not voted to eliminate the office of auditor obtain periodic or regular audits from a certified public accountant.”

- Pownal was never out of compliance with State Statute, and our books have never been “unaudited”. We have always engaged with an external auditor who audits the books annually, and that remains unchanged.
- **A consideration:** Given that Vermont Statute requires either ONE or the OTHER (elected or hired auditor), by reinstating the elected auditors, the Town is left in a position where a future board could decide to do away with the annual professional audit (as it would no longer be required by law). I don’t anticipate this would happen, but it is a potential consideration.
- The identified material weaknesses by our external auditors identify needs that we have that auditors cannot fill. Auditors cannot actually affect the books in any way. The needs that have been identified are related to capacity, places where we don’t have the staff or resources to meet these needs (such as journal entry approvals). Even with elected auditors, we would not have solved Pownal’s need for more check and balances. These needs CAN be met, however, by NEMRC. This is why Cynthia is here tonight: to help us better understand where we could use assistance, and to explain possible solutions.

Discussion with Cynthia Stoddard from NEMRC:

- Cynthia is here to help us better understand the findings of our audits, and also to offer real solutions for our lack of capacity causing system weaknesses.

Parks and Rec Update:

- We received a Spark Grant for \$1500 for the purpose of building an ice rink. The committee decided that instead of buying a complete kit, we could instead just purchase liners and use local help to build. Therefore, we were able to actually build two rinks, one large and one smaller for the littles so they don’t get run over by experienced skaters. People have donated their time and energy to this:
 - Both fire departments helped to fill the rinks
 - Passers-by stopped and gave money and resources, one person with a check for 100 dollars, and another person went out and bought 200 dollars-worth of supplies for the rink as a donation.
 - Residents built benches, a marshmallow roaster, and plan to build firepit(s)
 - We have offers of free firewood, used skates, building a shed for skates and resurfacing materials, and help maintaining the rink
- The Committee has set a priority on development of Center Street Park/Pownal Town Green with Selectboard approval. We have been working on an overall vision that includes the proposed town hall project, and also a diversity of recreational resources that aim to serve all demographics in town. This vision includes skateboard and scooter ramps, a pavilion, a pump track, seating, and community garden plots. Incorporated into this vision is use of the Schoolhouse portion of the new town hall as a Community Meeting Space, where classes, gatherings, art installations, etc...can happen. I plan to apply for a program that would facilitate development of this vision, that I will discuss in “grants updates”

- We divided up aspects of this vision among the committee members so they could research for that aspect (looking for resources, ideas, and funding). So, we have these categories: Playground/splashpad, skateboard and scooter ramps, pump track, non-play resources (such as pavilion, seating, and community gardens).
- Linda has identified a line of 4200 that was slated for recreation, and was received through a grant several years ago. The money in the line is not the actual grant funding, but a surplus from donations that was put on the same line. The money needs to be used, and I would like Linda to first describe where the money came from, then I would like to ask the Board to consider allowing the Parks and Rec Committee to present a budget for that money towards the building of skateboard and scooter ramps.
- Jen, our new Pownal Librarian, is going to work collaboratively with the committee on ideas. I am going to work with her on a grant application geared for library projects...for a library-sponsored project on the town green (such as a permanent story walk, permanent chess boards, etc...). Very excited about this relationship.
- Regarding the Center Street Community Church: I think it is really important that this Church is included in and considered in our vision for Town Green Development. However, this crosses over into our grant discussion, so we can stop here if there is any discussion about parks and rec.

Grant Updates:

- We received over 26k from the LGER grant for laptops, cell phones, and printers to help town staff work from home due to lowered capacity at town hall.
- We received approx 22k for digitization of land records in a Digitization Grant program. This allowed the Clerk to digitize many of her records, which can be accessed via an online portal. Also this allowed the listers to digitize their records.
- Regarding the Historical Preservation Grant that we applied to for the Center Street Community Church: we were not awarded this grant. I spoke with Caitlyn Corkins who manages this program to get feedback on our application. She stated that our application was a good one generally, but we had a couple of weaknesses that made us score lower.
 - Painting often isn't a high scorer in terms of rehabilitation work. I recommend finding alternative funding (fundraising) to address the need for paint work.
 - She felt the roof work would have been a perfect fit for the program, because it was for the purpose of eventually restoring the belltower. However, we have no pictures of the top of the roof. We should consider having someone go up there and get pictures for our records.
 - The main reason we were not awarded the grant is because the space does not have enough community use. They did not see the value in granting funding towards a building that is only used by a few people once a week. Because of this, we really need to start speaking about the Town's relationship with the Church. The Church in no way has the resources to preserve or maintain this building. If the Town sees value in the Church as an asset, we need to define our legal relationship with the Church and collaborate with them to create community opportunities for use of the building that

also allows for them to continue using the space for their spiritual community. If we do not come up with a plan regarding this, I believe that the Church will continue to fall into disrepair and the asset will be lost. If we are able to accomplish this, this would help us qualify for programs for funding to improve the space (including adding a restroom, wheelchair ramp, efficient heating, repairing roof, restoring belltower, etc...). A legal agreement/clarification of legal relationship with the Church will also allow us to include it in our Town Green Vision, helping us bring more programming and resources to our town center. As owners of the building, this is not about a legal relationship with a religious organization, but rather an agreement over shared use for the purpose of preserving and better utilizing this town asset.

- I spoke last night with Cliff Dayton from the Center Street Church and began a conversation about the Church collaborating with Parks and Rec for Town Green development, and use of the space. To be clear, this is not to bring the church into municipal partnership. This is about use of a shared space (as both entities have ownership in and authority over the use and maintenance of the building). I suggest scheduling having them on the agenda in February or perhaps after the election to have a public discussion about our relationship, etc... I will do a lot of leg work on this to have ideas and possibilities to present if you would like me to do this.
- CEDS (Comprehensive Economic Development Strategy) Program: I spoke at length with Jonathan at the BCRC regarding this program. This is a program that brings state-wide private and public sector resources to a Town to help them develop a vision and plan for a particular project or area. I am going to apply for this for the Town Green Vision. This would include the Town Hall with Community Meeting Space, the Church, and Center Street Park. The purpose of this program is to BUILD CAPACITY, which is what every person I speak to regarding Pownal and grants suggests we need. Jonathan and I are going to meet, and he is going to help me with the materials. He expressed enthusiasm for this idea.

Newsletter:

- Recently I wrote you all an email letting you know that I would like to get the town newsletter started again. I think that especially after moving on from coordinating audit work, and now on full-time hours, etc..I am in a good position to start this again. I know that on Monday's budget meeting you put in a line item of 6k for a paper version of the newsletter to be mailed to all citizens. What I would like to do is a monthly electronic/mailed newsletter (which I would also print and put in the local stores and library, etc..), with "special editions" as needed. Quarterly, I would create a synopsis print version that can be sent in a mass mailing. One of the biggest weaknesses in Town (I hear this a lot) is "lack of communication from the Town". I believe this system of regular electronic and print newsletters would help reach the largest amount of people. First edition of the newsletter I hope to work on next week, with a release at the end of the week. At the beginning of every month, I would like for the Board to send me what they want reflected in the newsletter so I can cover everything needed.