

**TOWN OF GRAND ISLE
SELECTBOARD
MINUTES OF THE SPECIAL MEETING
February 27, 2018**

I. CALL TO ORDER: Adam White called the meeting to order at 6:01PM.

Board Members Present: Adam White-Chair, AnnaMarie DeMars, Diane Cota and Jeff Parizo

Board Members Not Present: Bill Baron-Vice Chair

Community Members Present: Donald Cota, Jessica McAllister, Donna LeClair, William LeClair, Lucille Campbell, Eric Godin, Ellen H. Paradee, Cheryl Titus, Ronnie Bushway, Karen Allen, Brandy Boardman, Shawn Mercy, Phillip Horican, Todd Boutin, Dwight Bullis, Tim Maxham and Rachael Griggs. Melissa Boutin was working at her desk, as the Town Clerk's Office was open for business until 7:00pm.

Amend Agenda for Matters Not Listed: Adam White asked if there is any item to add the agenda that we can briefly discuss tonight and add to the next regular meeting in March. AnnaMarie DeMars said she has something to say to the Selectboard and she wanted to say it now. Adam added it under New Business.

II. NEW BUSINESS: Letter to Islander: AnnaMarie DeMars said she disagrees with a recent Letter to the Editor in the Islander in which four members of the Selectboard endorsed a candidate for Town Clerk. Anna noted she would like to have been asked about inclusion in the letter even though she would have declined.

III. OLD BUSINESS:

Annuity: Adam White said at the February 19, 2018 meeting of the Selectboard a member of the public brought up a concern regarding an annuity that was taken out in 2009. At this same meeting Diane Cota was asked to be the point person for the Grand Isle Selectboard to research this issue. She will do an overview of her findings at the Selectboard special meeting next week.

Cheryl Titus (Town Clerk in 2009) approached the Board saying she felt she was slandered and she presented paperwork.

Diane presented the following facts.

**Select Board Special Meeting: Annuity - Finding of Facts
February 26, 2018**

- 1) "The Selectboard shall have the general supervision of the affairs of the town ..." 24 V.S.A. 872(a)
- 2) The Cemetery Commission minutes were reviewed for 3/24/09, 5/26/09, & 11/24/09. There was no mention or documentation instructing Cheryl Titus to invest funds for the Commission.
- 3) On August 21, 2009 Cheryl Titus invested \$30,000 from the Cemetery funds in an annuity. This was done at the advice of a Key Bank employee. Cheryl Titus was named as the annuitant with her social security number. The Town of Grand Isle was listed as

the owner and beneficiary. The annuity was with Western National Life Insurance Company.

- 4) On December 14, 2010 Angolano & Company (CPA) stated in their audit of Grand Isle Funds "We question whether this (tax deferred annuity) is a proper investment for the Cemetery, whether the owner should be the Town or the Cemetery Commission, and the legality of having the Treasurer named as the annuitant. Our recommendation is that this be reviewed with either the Vermont League of Cities and Towns or the Town's legal counsel.
- 5) In 2013 the annuity was converted to American General Life Insurance Company.
- 6) On September 14, 2014 the annuity came to maturity.
- 7) In April of 2015 Melissa Boutin as the Grand Isle treasurer and clerk Melissa spoke with the Cemetery Commission regarding the annuity. With their permission Melissa Boutin contacted American General Life Insurance Company to have Cheryl Titus' name removed as the annuitant. Melissa was informed that it was not possible to remove Cheryl's name since an annuity must be in an individual's name. They suggested having the Cemetery Commission sign a resolution stating that Cheryl Titus could not access the funds and to replace Cheryl's signature with a Cemetery Commissioner and the current town clerk/treasurer.
- 8) On June 23, 2015 the resolution was made and signed by the Cemetery Commission. At that time Cheryl Titus' name was removed as signor and Sue Lawrence and Melissa Boutin's signatures were added.
- 9) On February 20th of this year the Cemetery Commission submitted the proper forms to close the annuity and when funds are received will invest the funds into an account in the name of the Grand Isle Cemetery Commission.

Cheryl Titus mentioned another Cemetery account with her name on it. Diane said the Cemetery Commission is looking into taking her name off the account.

Adam White said on the Western National annuity form the annuitant is different from the owner and the owner is listed as the Town of Grand Isle and wondered why Cheryl Titus' name and social security number is there. Diane Cota said it's because an annuity can't be in a business name.

Adam White said in 2010 the Auditors flagged this and it wasn't discovered again until 2015 (when Melissa Boutin became Town Clerk). Cheryl Titus said she was told as soon as it matured it could be changed into something else.

Lucille Campbell, Cemetery Commissioner, asked why it was put into an annuity instead of other funds where the Cemetery Commission is allowed to invest, and where the money came from? Cheryl Titus said she could not remember.

Adam White asked if there was anything in the Cemetery 2009 minutes about investing funds in an annuity. Diane Cota responded that there was no directive in any of the minutes that she reviewed to direct any investment into any type of investment account.

There was a discussion on how the annuity issue was brought up. Diane Cota responded that she learned about it while visiting the Listers office. She brought it to Adam White's attention and was encouraged to look into the matter. Because there was already a resolution placed in 2015 protecting funds it was decided that there was a resolution to the annuity with measures in place to protect the investment.

2-27-18

The Selectboard would like to create a policy for how Town funds should be invested or what kinds of investment are not allowed.

When Joe Longo brought it up at the February 19th Selectboard meeting it was a surprise to the entire Board. Suggestions were made from some of tonight's guests that Cheryl Titus was due an apology from the person that brought up the matter at the previous Selectboard meeting.

Jeff Parizo mentioned that before any decision is made about how the Town does or does not invest funds, he would like time to review the statues on Cemetery Commissions and Library Trustees on how they can and can't invest their funds.

Ron Bushway mentioned inappropriate political signs at the Transfer Station. It was noted that political signs of any kind should not be attached to Town buildings including the Transfer Station hut.

IV. ADJOURNMENT: AnnaMarie DeMars motioned to adjourn at 6:46PM. Diane Cota seconds the motion, all in favor and the motion passes.

Respectfully submitted,

Rachael Griggs, Selectboard Clerk

Date: _____

Jeff Parizo, Selectboard Chair

Date: _____