Town & Village of Woodstock
Town Selectboard & Village Trustees Special Joint Meeting
June 22nd, 2026
8:30 AM
Town Hall & Zoom
Minutes

Draft minutes are subject to approval.
4 in Person, 6 Online
Present Selectboard: Chair Susan Ford, Norm Frates Jr., Cliff Johnson, Gay Travers, Dick Sweeney
Present Trustees: Brenda Blakeman, Chair Lisa Lawlor, Stephen Stuntz, Vice Chair Jeffrey Kahn
Staff: Eric Duffy, Kitty Mears Koar, Robert Densmore

Public: Nicholas Seldon, Mary Ann Sweeney, Alison Taylor, Tyler Kimberley, Deborah Gravel, Peter Shoemaker, Jim Otranto

A. **Call to order**
    1. **Selectboard**
        a. Chair Susan Ford called the Selectboard Meeting of June 22nd to order at 8:30 AM
    2. **Trustees**
        a. Chair Lisa Lawlor called the Selectboard Meeting of June 22nd to order at 8:30 AM
B. **Additions or Deletions from the posted Agenda**
    Statement by Village Trustee Chair Lisa Lawlor
    Move Town Audit to after the Citizen Comments
C. **Statement by Village Trustee Chair Lisa Lawlor**

Chair Lisa Lawlor offered a statement of appreciation on behalf of both the Trustees and the Selectboard, thanking municipal employees for their exceptional work over the preceding week and a half. The community had experienced an overturned truck, an EF1 tornado, and a downed tree that caused an eight-hour power outage on the south side of the village. Chair Lisa Lawlor acknowledged the often thankless nature of municipal employment and specifically recognized the Municipal Manager, the Department of Emergency Services, the Police Department, and DPW for their collaborative response, as well as Green Mountain Power for their rapid restoration efforts. The Board expressed deep gratitude that no one was injured during these events. Eric Duffy added that residents who sustained property damage should document it with photographs and retain any invoices, as the Boards would be pursuing state and federal reimbursement funding, though no guarantees could be made.

D. Citizen Comments – Three Minutes per participant

Jim Otranto addressed the Board regarding the speed sign repair item he believed had been placed on a prior agenda. He reiterated his standing offer to inspect the broken speed signs at no charge and, if repairable, to provide a cost estimate for the work, potentially saving the Town significant expense over purchasing new units. The Board confirmed the item remained under discussion and asked Mr. Otranto to leave his contact information.

Peter Shoemaker spoke regarding the transfer of Town funds to the Village to cover legal expenses associated with the quasi-judicial employment hearing involving the Police Chief. He noted that at the prior Selectboard meeting it was acknowledged that this payment was not made in accordance with law. He argued that as a Town that contracts with the Village for police services, Town taxpayers should not bear the cost of an internal Village employment dispute they had no voice in. He urged the Selectboard to ensure recovery of those funds.

Nicholas Selden echoed Mr. Shoemaker's concern, expressing frustration that despite repeated citizen calls over many months for the Boards to address the transfer of Town funds to the Village in connection with the Police Chief's demotion and subsequent proceedings, the issue had not been placed on the Joint agenda. He questioned whether the auditor examined the legality of the funding source and the transfer itself, or whether the audit was confined solely to confirming that the books were balanced.

E. Discussion

FY25 Town Audit 9:55

Tyler Kimberley presented the highlights of the FY25 Town of Woodstock audit. He noted that the audit commenced in the fall and involved a notably higher degree of complexity than prior years, driven primarily by the Woodstock Aqueduct acquisition, which introduced an entirely new water fund and a range of associated transactions. The audit produced approximately 31 proposed audit adjustments, with an additional 14 adjustments provided by management.

Mr. Kimberley summarized the primary audit adjustments as follows: incorporation of permanent fund activity into the Town's general ledger (NEMRC); separation of pooled cash and inter-fund balances between the Town and Village general ledgers; reconciliation of asset and depreciation schedules, including the addition of approximately $700,000 in assets transferred or donated as part of the Aqueduct acquisition; actuarial adjustments for the state pension liability; an update to the 60-day property tax deferral required, accrual of approximately $137,000 in compensated absences; and reclassification of ARPA funds from a deferred inflow to revenue to match previously recorded expenditures.

Mr. Kimberley then outlined five internal control deficiencies identified during the Town audit, noting that several rose to the level of material weaknesses:

1. **System Capacity and Resiliency Program Loan:** The Town had recorded the full $800,000 loan balance as borrowed as of June 30, 2025, when in fact no funds had yet been drawn. An audit adjustment was proposed to zero out both the cash and the related loan payable.

2. **Assets and Depreciation Schedule:** The schedule, maintained in Excel, was found to be materially incomplete, omitting significant additions including assets associated with the Aqueduct acquisition. Audit adjustments were proposed to reconcile and update the schedules. It was noted that the Town plans to transition this record-keeping to a dedicated software module, which should reduce the risk of future misstatement.
3. **Debt Service Payments and Loan Forgiveness:** The Town had improperly accrued certain debt service payments and recorded others as prepaid expenditures rather than recognizing them when paid, as required under GASB. Adjustments were proposed to reclassify these amounts. Additionally, loan forgiveness of $139,500 was identified and recorded as revenue.
4. **Deferred Inflows:** In addition to the ARPA reclassification noted above, the property tax 60-day deferral had not been updated from fiscal year 2024 to 2025 and was corrected via audit adjustment.
5. **Accrued Payroll:** Accrued payroll of approximately $137,000 had not been recorded as of June 30, 2025, and was adjusted accordingly.

Mr. Kimberley acknowledged that the volume and complexity of adjustments this year required substantial auditor time to resolve.

FY25 Village Audit

Mr. Kimberley described the FY25 Village audit as considerably more straightforward from an accounting complexity standpoint, though it was conducted concurrently with the Town audit. The Village audit produced 10 proposed audit adjustments, with an additional 4 provided by management.

A significant development in the Village audit was the identification of ARPA funds that should have been recognized as revenue in a prior fiscal year (FY24) rather than remaining as a deferred inflow. This required a restatement of the beginning general fund balance, triggering disclosure under GASB 100 (Accounting Changes and Error Corrections). The restatement increased the Village's beginning fund balance by $78,009 attributable to FY24, and an additional $75,000 in ARPA revenue was recognized in FY25, producing a net positive effect of approximately $153,000 on the Village's fund balance across the two periods.

Other adjustments included actuarial pension liability entries consistent with state estimates, asset and depreciation schedule corrections (notably the omission of a pedestrian bridge), and inter-fund balance reconciliations between the Town and Village. As with the Town, the Village's asset and depreciation schedule will be migrating from Excel to a software module, which was noted as a positive development.

The Village audit identified two material weaknesses:

1. **Assets and Depreciation Schedule:** Similar to the Town, the Village's schedule was incomplete, with certain additions—including the pedestrian bridge—not reflected.

2. **ARPA Fund Revenue Recognition:** The timing of revenue recognition did not match related expenditures, necessitating the restatement described above.

Question on the FY25 Audit

Chair Lisa Lawlor inquired whether there is a recommended minimum percentage of annual budget that municipalities should maintain as an undesignated fund balance reserve for emergencies. Mr. Kimberley responded that there is no single universally mandated figure, but recommended that both the Town and Village review and formalize their respective fund balance policies, potentially incorporating target reserve percentages, to provide clear guidance going forward. Eric Duffy noted that a commonly cited benchmark is 15 percent of the annual budget.

Regarding citizen questions raised by Peter Shoemaker regarding legal fees associated with the Police Chief's quasi-judicial employment hearing and the related transfer of Town funds to the Village. Chair Lisa Lawlor clarifies that the Municipal Manger did not make the decision to move money sole on his own, the Board Chairs made the decision, the Municipal Manager did not move money without discussions. The Municipal Manager does not move money without the direction of the Boards. Chair Susan Ford asked Mr. Kimberley to clarify whether the audit examined the substance or legality of that expenditure. Mr. Kimberley explained that the audit is risk-based and focused on the reasonableness of expenditures and their proper accounting treatment; the firm does not make legal determinations. Mr. Kimbereley noted that auditors reviewed documentation from the Town's attorney and confirmed that the Town has been named as a defendant in related litigation, which is disclosed in a footnote in the Town's financial statements. He indicated that the auditors would continue to monitor the matter in future audits and would welcome any final legal determinations in writing.

Mary Ann Sweeney raised a question about discrepancies between figures in the annual report that voters had approved and the line-item groupings appearing in the audit, specifically referencing Town administration communications on page 47. Mr. Kimberley acknowledged that account groupings in the audited financial statements may differ from the presentation in the annual report and offered to re-send the detailed account mapping that had been provided to management so that the correspondence between line items could be traced.

The meeting was adjourned early due to a medical emergency that occurred during the public comment portion.

F. Adjournment

Motion: by Gay Travers to adjourn the Meeting (9:12 AM)
Seconded: by Dick Sweeney
Vote: 5-0-0, passed

Motion: by Chair Vice Chair Jeffrey Kahn to adjourn the Meeting (9:13 AM)
Seconded: by Brenda Blakeman
Vote: 4-0-0, passed

Respectfully submitted,
Kitty Mears Koar