

COLLECTOR OF DELINQUENT TAX

AMENDED REPORT

3/24/22

In the interest of transparency, I am posting the following facts regarding my resumption of this position with the hope that most of your questions regarding the specifics uncovered during the transition may be answered. For anything I've missed, please contact me through the Clerk's Office and I'll help where I can.

BACKGROUND/ BACKLOG:

- Ms. Berry and Ms. Pelow resigned their positions effective January 30th, 2022. The Office was vacated on 1/28/22. No provision was made for a transitional meeting, nor was interim coverage provided for any function of the municipal office. The interim staff could not access the municipal computers. The Town had a full month's notice in which to make preparations. **No** actions were taken by the Selectboard. I won't be speaking for the Clerk, the Treasurer, or the Auditors here. They can more accurately discuss the particulars of what they found, but I can say that "mess" doesn't begin to cover the disarray and backlog of unaddressed issues in Ms. Pelow's offices.

- I was appointed to the interim position on 2/14/22 and began work the following day. The Clerk, Treasurer, and I were able to determine that there were five active 2020 accounts and twenty-five active accounts for the 2021 tax year.

- There were two unresolved tax sales that should have been closed out by December 31, 2021.

The first sale was successfully redeemed on **12/18/21**, and there were two checks, totaling **\$4,616.51**, that had never been processed or deposited. No Notice of Redemption or Release of Levy documents had been created, recorded, or sent to the taxpayer. These documents are a statutory requirement. Not addressing them in a timely manner exposes the Town to costly legal redress. This same parcel went delinquent for the 2021 tax year, and it never was put on the Warrant by the Treasurer, Ms. Pelow, nor

was it recorded as delinquent in our municipal computers. No tax bill for this account was in evidence. Ms. Gonyaw and I have since corrected this omission.

- The second parcel was not redeemed and should have transferred to the successful bidder on **12/31/21** by Tax Collectors Deed. A Failure to Redeem document is also required by statute, and both documents are to be recorded in our land records. None of this was undertaken. Again, we could have been sued successfully for our inaction.
- There was an unprocessed / undeposited check for the 2021 tax delinquency paid by the new owner. These gentlemen had neither title to nor receipt for property they owned, nor any acknowledgement that they no longer owed the Town.
- There were two parcels that had been deemed delinquent that had subsequently been adjusted by the Listers to become non-delinquent. No adjustments were made by either Ms. Pelow or Ms. Berry. We were sending delinquency bills to people to whom we owed money. The Listers, Ms. Gonyaw and I have corrected that situation.
- The balance of unprocessed checks has been dealt with and we have resumed the practice of a monthly pay over of all monies due the Town. There are presently no unprocessed checks in the Office and there are no pending recordings or notices due in my realm, as of this date.
- Ms. Gonyaw and I have reviewed the 2021 Warrant and have made numerous corrections relating to interest and penalty due. There are presently four accounts for 2020, totaling **\$7,401.17** and twenty-three accounts for 2021, totaling **\$29,605.40**. The warrant is currently as accurate as we can make it without re-doing all that has transpired since last March: I cannot vouch for anything related to that interval.
- Ms. Berry was statutorily required to file a certified copy of her Annual Report for the 2021 Tax Year. No such document has been found. That's why there is no Delinquent Tax Report in the Town Report this year.

FILES/ DOCUMENTATION:

- Ms. Berry had created 62 file folders relating to delinquent tax accounts. Those folders were found mostly empty, save two, in a file drawer. Little record of any correspondence or billing remains.

- There were seven empty file cabinet drawers when the Office was re-opened.
- There were 2 -3/4 empty file drawers in Ms. Pelow's desk, the balance held office supplies.
- Ms. Berry's desk was totally emptied- no files found, two file drawers empty.
- There was one (62 gallon) shredder bin, full, capable of holding 82 reams of paper (41,000 pages), which appears to hold the former contents of these drawers. This paperwork is being reviewed by others. So far, the only documents relating to my office have been reconciliation documents for the Delinquent Tax checkbook. The balance of the bin will be reviewed before it is shredded.
- The Delinquent Tax computer, like our main office computers, was left password protected, so access to my computer has been impossible to date. The Clerk is helping me resolve this issue and a professional is involved at this point. I don't know what files, if any, will be found there.
- No filings or folders relating to **Requests for Public Information** have been found. I know of three separate requests that were never responded to and were unlawfully ignored well past their legal limit- two of them were mine.
- Ms. Berry deposited a **\$12,423.08** received on 10/18/21. By law, this payment should have been returned to the taxpayer. Instead, she took her pro-rated penalty of over \$900.00 and billed the taxpayer for the penalty and interest that were added to their account on 10/16/21. They paid that **\$1,140.60** in November. This check was allegedly cashed/deposited in upstate NY, and the taxpayer claims that it was stolen from our mailbox, while our office maintains that it was never received. In any event, the check was cashed somehow/somewhere, and the taxpayer is out that amount of money. The postal inspector is now involved and a resolution there is pending. Under protest, the taxpayer sent a duplicate check to us on January 21st, which Ms. Berry did not process or deposit. That has since been corrected, and this account has been successfully closed. The taxpayer was extremely upset by the treatment she received from Ms. Pelow and Ms. Berry. I spent 8 hours of my time hoping to get some

satisfactory answers for the aggrieved party and apparently, I have failed in the effort; they're not pleased with me, either. I can't speculate whether the outcome would have been different had their account been properly handled. It certainly wasn't helped by our ineptitude and indifference. Litigation has been threatened but has yet to be pursued.

- The timely issue of an accurate warrant has been an issue since Ms. Jurentkuff left office. The law permits 15 days to produce and issue the Warrant and this past year it took 14 days to produce the flawed document that we're still correcting in mid-March. That's five months into the tax year, which I believe is problematic. I'm very optimistic that this will no longer be a problem going forward.
- Similarly, the delinquent tax records and checkbook are to be reviewed by the Treasurer, and subsequently the Auditors, on a monthly basis. I find no evidence that this has occurred- there are no Receipt & Allocation reports, nor any monthly reports on-file. My checkbook has been steadily reviewed by the Auditors, as it always has been.
- I never had access to the Town's NEMRC program or the municipal computers, so I can't speak to what's recorded there, or how it's accessed. I use Excel spreadsheets that I create from the NEMREC Master the Treasurer issues me. Ms. Gonyaw has been an asset assisting me by entering all corrections and promptly locating any documents I need for my records. Her system and mine are presently aligned and in full agreement, ready to move forward.

The law **does** require a triplicate system of receipt accounting that is nowhere in evidence.

- There are numerous deposit slips that contain amounts, but no mention of name/ parcel number referencing which account they are credited to. I see no easy way for anyone to audit the checkbook and reconcile the monthly revenue with the existing warrant as we used to do. I have no idea what, if any, documents have been created and/or shared with the Auditors. I

any, documents have been created and/or shared with the Auditors. I don't find any relevant file in what I've been left. Posting an accurate list of Delinquencies Due is also a legal requirement in the Town Office.

- I have spent over 40 hours of my time reviewing documents, closing accounts, tracking payments, and correcting errors. These efforts during the transition are uncompensated.

The present office is a pleasure to visit. Both Kandy and Heather have helped me in every way they could since day one. There's a positive atmosphere where everyone's focused on cleaning up the issues we've uncovered/inherited and moving forward in a joint effort where things run as smoothly and efficiently as they can be made to. We certainly owe the interim staff a great debt for their collective efforts. They have made easy work of a rough transition. It's a privilege to work in this environment.



Gilbert D. Trenholme

Collector of Delinquent Tax

Waterford, VT