



Financial Oversight Committee Meeting

Monday, 24-October-2016 –5:30 PM
CVSWMD Office, 137 Barre Street, Montpelier, VT 05602

Minutes

1. **Convene meeting**: At 5:42 PM, Bill Powell convened the meeting with FOC members Kathie Felch (Treasurer) and Fred Thumm, and GM Bruce Westcott attending. (Steve Micheli was unable to attend; members Powell and Felch participated by telephone.

Agenda Revisions: There were no revisions to the agenda

2. **Approval of Minutes**: Fred Thumm made a motion to approve the minutes of September 26, 2016. The motion was seconded (Felch) and the minutes approved.
3. **Safety Investment for Pickup Truck** – Bruce reviewed with the members the points he had made in the “General Manger’s Report” which was distributed to member, regarding safe driving of the pickup truck. There was discussion of whether or not these safety add-on features might reduce insurance costs, and whether some of them might be removable to any other future vehicle. Bruce will check on both points. Bill Powell made a motion to approve the investment of up to \$1350 as described in that Report. The motion was seconded (Felch) and the minutes approved.

There was also discussion of the prospect of acquiring a second vehicle, as discussed by Bruce in his report. Members asked questions about the potential for full utilization of a second vehicle. Bruce said that the staff will build a projected full-year mileage budget, specifying various types of trips, frequencies, estimated mileage, and how best objectives could be supported using the existing truck, and combinations of personal vehicles, rentals, or a purchased second vehicle (large or compact). He will report back, with a recommendation.

4. **Review of proposed FY18 Budget** – Bruce reviewed the draft FY18 budget which had been previewed by the BoS at its last meeting, and his plans for finalizing it, including:
 - a. Line-by-line review of budget items, with research into history, and projections,
 - b. Discussion with the EB (15-Nov) and adoption by the FOC (28-Nov)
 - c. Presentation/adoption by BoS (7-Dec)

There was discussion about several subjects that came up. Bruce described changes in the hauler licensing which he and Barb are putting into place for CY-17, and suggested that they may bring in increased revenues – both in license fees, and in compliance with requirements to make monthly reports & payments of surcharge. Bill asked if collection of metrics could be planned, and reported back.



There was some discussion of how to post into the budget grant income which at this time is planned but not yet secured, and of the operating costs which will be covered by such grants. Bill asked that Bruce check with our auditors to determine the best way to show these as “contingent” items in a budget presentation to the BoS.

5. **Review of Draft Q3 financial statements**
6. **Review of FY16 Audit process, and Aged Receivables** – The discussion of Agenda items 6 and 7 consisted of multiple threads combined. On the current Balance Sheet Bruce pointed out the asset value of booked receivables, and said that one focus of the current audit of FY16 is the verification of a sample of receivables booked prior to June 30. He discussed the age of a great many receivables, and his exchanges with our auditors which may lead to the recommendation for a year-end contingent liability to account for the fact that some may not be collectible. He and Kathie described the work they have done with the Bookkeeper to identify stale receivables, to reach out to customers by providing backup details, and making successful collections. Bruce expects that as we pursue this work he will ask the Board for guidance on appropriateness of writing off some debts, as opposed to spending resources to press our claims.
7. **Review of District Banking Relationships** – Bruce pointed out that his review of quarterly balance sheets over several years shows that the District retains substantial cash reserves. He has checked with our current primary bank (Citizens); last year our deposits yielded just .01% return; i.e. \$124 for the entire year. He recalled for the Committee that Leesa had considered soliciting proposals from banks for a variety of services, and said he intends to proceed to do this. There was brief discussion of the relatively much better rates of return we can likely collect from a simple program of investing in CDs. Treasurer Kathie Felch suggested that VLCT will likely be able to provide some guidance and/or language to help us solicit proposals from Citizens and other banks.
8. **Other Business:** There was a brief discussion of the possible items to be on the agenda for the BoS annual retreat meeting scheduled for 19-November from 9AM – 2PM. The Chair and others suggested various speakers, and agreed that some program updates from staff will also be welcome.
9. **Adjourn:** The meeting adjourned at 6:48 PM

Respectfully submitted: Bruce Westcott, General Manager