



Meeting of the Financial Oversight Committee

Monday, February 26, 2018 –5:30 PM

137 Barre Street, Montpelier, VT

Minutes

1. **Convene meeting** -- At 5:53 PM, Committee Chairman Bill Powell convened the meeting with FOC member Fred Thumm. GM Bruce Westcott was present; FOC member Steve Micheli was unable to attend.
2. **Agenda Revisions** – The GM said that he wished to report to the Committee progress on the planned investment in the ground-floor lavatory authorized in the Capital Budget. The Chair asked that he provide details at this time; he reported that he had received a bid from Montpelier Construction. Office Manager Barb Baird had contacted multiple other firms, but no other bids were forthcoming. The bid is within the cost range estimated in the Capital Budget appropriation, and staff will negotiate with the vendor to clarify project timing and any technical details. Members thanked the GM for the briefing.
3. **Approval of Minutes** – Fred Thumm made a motion to approve the minutes of the meeting of 22-January; the motion passed unanimously.
4. **Review FY18 – Q1&2 Financial Results** – The GM provided members a review of the three documents provided: Listing of Disbursements >\$1000, Income Statement, and Balance Sheet. He provided some details and answered questions about several line items. He explained that he is working with auditors to “prove” the balance in GL2400 – Payroll Liabilities. It is likely overstated, and that he expects to provide auditors with information that will allow them to recommend a significant reduction to benefit costs for prior periods, and thus an increase in the District’s Equity stated on the Balance Sheet. Members asked that he keep them informed of progress. No action was taken.
5. **Financial Plan (Process and Product)** – At the Chair’s request, the GM reviewed with the membership the purpose of each section of the current draft FY18 Financial Plan provided for review. The Chair cited District policy #1001 re: Capital Fund, and also some other “sample” fund policies available for review by the District. The members encouraged the GM to consider a significant re-drafting of #1001 in order to clearly outline each section of an annual financial plan, its purpose and update frequency. In addition, they suggested that the policy should identify each Fund maintained by the District, the stated purpose of each, and the logic by which funds are allocated, increased, or decreased within each.

There was discussion of specific elements of the Capital Fund:

- a. Capital Stock Replacement,
 - b. Grants for capital items (member municipalities or other stakeholders),
 - c. Facility Acquisition/Construction, and
 - d. Transfers to Operating Fund (to support long-term obligations made in lieu of Capital expenditures.
6. **Adjourn**: A motion (Thumm) to adjourn passed unanimously. The meeting adjourned at 6:54 PM.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "Bruce Westcott", with a long, sweeping flourish extending to the right.

Bruce Westcott, General Manager