



Meeting of the Financial Oversight Committee
Monday, March 26, 2018 –5:30 PM
137 Barre Street, Montpelier, VT

Minutes

1. **Convene meeting** -- At 5:38 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. Supervisor Matt Levin attended for the first discussion item.
2. **Agenda Revisions** – The GM and Matt Levin requested a brief amount of time for discussion of a lack of clarity in procedure for managing grant funds, as Matt could stay for just a few minutes. Three related questions are:
 - a. Do grant funds unspent in one fiscal year remain in the Grant Fund balance going forward?
 - b. When funds appropriated by the Board for one grant program are reaching their end, what procedure should be used for reviewing a request to modify the appropriation?
 - c. If an unappropriated Grant Fund balance exists, how can it be accessed to increase funds appropriated for a grant program.

Members of the FOC discussed these issues with the GM, and expressed general agreement that monies appropriated but unspent at the end of one fiscal year remain in the Grant fund. They also recalled the approval limits expressed in Board Policy 9307 – Procurements and felt that the same limits should be observed for redirection of monies from the Grant Fund. They asked the GM to draft a policy/procedure document for Executive Board review addressing these questions.

3. **Approval of Minutes** – Fred Thumm made a motion to approve the minutes of the meeting of 26-February; the motion passed unanimously.
4. **Review/Adopt January 31 Financial Statements** – The GM directed the members’ attention to the financial statements he had provided and reminded members that Board policy 0901 on Financial Reporting calls on them to review such reports monthly. There was brief discussion, and Fred Thumm made a motion to approve the financial statements; the motion passed unanimously.
5. **Re-Branding the Box Truck Art Work** – The GM reported that our box truck has artwork on its sides and tail that relates to hauling compost. We have solicited proposals and ascertained potential costs of new artwork (total approximately \$3,500). We are also applying for a new grant which may reduce costs to a 10% match. The GM requested a Capital Budget adjustment to appropriate funds for this, as the expense is an improvement to a capital asset. There was brief discussion, and Fred Thumm made a motion to recommend the expenditure to the Executive Committee, as provided for in District policy 9307; the motion passed unanimously.
6. **Change in Accounting/Payroll Software Costs** – The GM briefed FOC members on changes to the software we use:
 - a. We have installed a 2018 version of our accounting software at an unbudgeted (once every three years) cost of about \$850.
 - b. On the “plus” side, the annual cost of continuing our current payroll services will decrease each year, as a result of this move.

- c. We are considering upgrading to a costlier payroll processing service, which will free staff from the time required to perform monthly state withholding tax transfers, and quarterly reconciliations of both state and federal withholdings.
- d. We are also looking at three different “add on” software packages that will allow us to perform all time entry, approval, and posting online, saving much bi-weekly paper and many hours of timesheet collection.

There was discussion of these points. The chair commented that his organization utilizes internet-based time reporting, and it appears to save lots of time and potential errors. He asked if the GM requested any action; the GM said he raised the topic for “information only,” and intends to report back to the EB and full Board in another two months as part of a budget update process.

7. **Fund Balance Accounting/Reporting** – The GM reported that with the change to Peoples Bank, we have changed the way we account for fund balances. The District’s previous bank maintained separate accounts which we used to track balances in each of our funds. Peoples maintains all our cash in a “sweep” account. Within the Grant Fund, we have separate ledger accounts for different types of grants (Greenup Day, School Zero Waste, etc., so it is easy for our software to report on grant expenditures. But the availability of the Grant Fund balance at any point in time is not explicitly allocated out to the different grant programs. The Chair stated that he felt that related issues/questions had been thoroughly aired in an earlier discussion (Item #2 in these Minutes).
8. **Pickup Truck Status & Future** – The GM reviewed with the Committee the age (10 years old), mechanical state, and possible inspection problems of the GM Pickup Truck. There is no immediate cause for replacement, but the FOC needs to know that the net cost of a replacement will be in the Capital Budget revision for FY19 or 20. The Committee discussed “lease or buy” decisions for the future, and agreed no action is needed at this time.
9. **Financial Plan (Process and Product)** – The GM reviewed the structure of the FY19 Financial Plan which he is drafting for the Board, and asked for their views on how “lease or buy” decisions should be reached by the District in the case of future capital purchases (truck, phone system, computer system, warehouse equipment, etc. The Committee took no decisions, but discussed the accounting, budgetary, and practical issues that touch such decisions. They agreed it would be helpful for the Board if the GM were to draft a policy, along with an example of such a purchase, illustrating the plus and minus sides of either option.
10. **Adjourn:** A motion (Thumm) to adjourn passed unanimously. The meeting adjourned at 6:54 PM.

Respectfully submitted:



Bruce Westcott, General Manager