



**Financial Oversight Committee (FOC) Meeting**  
**Tuesday, October 26, 2021**  
*Meeting Conducted In-Person at 137 Barre Street, Montpelier VT,*  
*with FOC members attending remotely via Zoom*  
**Minutes**

Chair Bill Powell called the meeting to order at 5:30 PM with a quorum of the Committee. General Manager Lisa Liotta was at the meeting location in accordance with Vermont's Open Meeting Law with all other participants joining via Zoom.

Chair Bill Powell, Committee members Fred Thumm and Peter Carbee; and Treasurer Erin McCullough were in attendance. *Absent: Tad Nunez, Steve Micheli.*

**1. Agenda Revisions – None**

- 2. Approval of Meeting Minutes, August 10, 2021:** *Peter Carbee made a motion that the FOC accept the minutes of the August 10, 2021 meeting, seconded by Fred Thumm - voting in favor: unanimous.*

**Approval of Meeting Minutes, August 24, 2021:** *Peter Carbee made a motion that the FOC accept the minutes of the August 24, 2021 meeting, seconded by Fred Thumm - voting in favor: unanimous.*

- 3. Financial Statement Review and Approval –** *Fred Thumm made a motion that the FOC accept the financial statements for FY21 and the first quarter of FY22 as presented, seconded by Peter Carbee - voting in favor: unanimous.*

- 4. Budgeting for Depreciation, Policy Review/Discussion–** General Manager Lisa Liotta reviewed the memo provided in the packet and explained that the District's current practice of budgeting for depreciation in the fiscal year Operating Budget as specified in our Financial Policies and Procedures is somewhat unusual, because capital expenditures are also planned and budgeted for by fiscal year in our Capital Plan. The FOC discussed that no adjustment to the FY22 or preliminary FY23 budget is needed, but that the policy should be formally addressed and reviewed.

*Peter Carbee made a motion for the FOC to formally review the Financial Policies and Procedures as they relate to budgeting for depreciation in the coming months before the draft preliminary FY24 budget is prepared, seconded by Fred Thumm. Voting in favor: unanimous.*

- 5. Establishing Reserve Funds –**The FOC discussed that no formal process in our Financial Policies and Procedures provides for establishing separate cash reserve funds (either internally in QuickBooks, or actual separate bank accounts), e.g.: a dissolution reserve fund, a capital reserve fund, grant reserve fund, etc., or for determining what amounts would be designated for any separate funds.

The General Manager discussed that the FY23 Annual Financial Plan will come to the FOC in November, with the goal of bringing it to the Board in December; recommended amounts for any separate funds will be provided at that time (based on information in the Plan). Following adoption of the Plan by the Board of Supervisors, separate funds can be established in QuickBooks.

The FOC expressed its concern that any policy or procedure should detail who is responsible for administering fund balances and transfers, with particular attention paid to the time and attention that would be required of staff. Staff will work to bring forward proposed language changes to the FOC for review.

*Peter Carbee made a motion for the General Manager to include in the FY23 Annual Financial Plan a recommendation for separate reserve funds to be established, and that following adoption of the Plan by*

*the Board, that separate cash reserve accounts will be set up in QuickBooks. Seconded by Fred Thumm. Voting in favor: unanimous.*

- 6. Investment Policy, Value Statement Discussion** The FOC discussed how addressing a value statement as it relates to the Investment Policy (adopted by the Board in October, 2021) should be brought to the Executive Board for discussion prior to any investing taking place. Members of the FOC discussed that determining how an institution with whom the District elects to invest its funds with in money markets or CDs, may invest their funds is different than if the District directly purchased stocks or mutual funds. Staff will bring the discussion of a value statement to the next Executive Board meeting.
- 7. Treasurer Contract, Annual Hour Increase-** The General Manager provided an estimate of the hours needed by the Treasurer in FY22 to include time to oversee short-term investing, and noted that no budget adjustment is necessary for the current year due to vacant staff positions.

*Peter Carbee made a motion for the FOC to recommend to the Executive Board that the Treasurer's hours for FY22 be increased to an amount not to exceed 250, seconded by Fred Thumm. Voting in favor: unanimous.*

- 8. Adjourn** – *At 6:30 PM with the approval of the Committee, Bill Powell adjourned the meeting*

Respectfully submitted,



Lisa Liotta