



## Financial Oversight Committee (FOC) Meeting

Tuesday, April 26, 2022

*Meeting Conducted remotely with FOC members attending via Zoom*

### Minutes

Chair Bill Powell called the meeting to order at 5:31 PM with a quorum of the Committee: Chair Bill Powell, Fred Thumm, Peter Carbee and General Manager Lisa Liotta were present via Zoom.

*Absent: Tad Nunez.*

- 1. Agenda Revisions** – Item 4, Policy Work was moved before Review of Financial Statements so that Treasurer Erin McCullough could present information once she arrives.
- 2. Approval of Meeting Minutes, February 22, 2022:** *Peter Carbee noted that minutes reflect that the motion to adjourn the meeting was made and seconded by Tad Nunez; with that correction, Fred Thumm made a motion that the FOC accept the minutes of the February 22, 2022 meeting, seconded by Peter Carbee - voting in favor: unanimous.*
- 3. Financial Policy Work – Status Review:** The General Manager shared with the Committee that with three open positions at the District since the schedule for policy work was brought to the FOC in February, that progress has not been made, but that the items in the memo were slated for future work as soon as time allows.

#### **At 5:35 pm, Treasurer Erin McCullough joined the meeting.**

Peter Carbee asked about the status of the Investment Policy, and noted that the District could be earning \$15 to \$20 per day with funds invested. Treasurer Erin McCullough suggested that some reserve funds could be placed in a 15-month CD. Chair Bill Powell noted that while the Investment Policy has been adopted by the Board, there needs to be a process established to determine which funds and what amounts will be invested where and for how long. Powell stated that the appropriate course would be for the FOC to review proposals and recommend to the EB, for the EB to next review and recommend to the full Board for approval. There has also been prior discussion regarding adopting a Values Statement related to investing. Peter volunteered to research rates and options for investment vehicles.

- 4. Financial Statement Review and Approval** – Treasurer Erin McCullough provided an overview of the mid-year financial statements and the memo provided in the packet, and answered questions from members of the Committee.

*Fred Thumm made a motion to recommend Board approval of the financial statements as presented, seconded by Peter Carbee. - voting in favor: unanimous.*

- 5. CVSWMD Staff Compensation Schedule, FY23:** The General Manager presented the proposed FY23 Staff Compensation Schedule, which has been developed from the last Board-adopted Compensation Schedule in November, 2018, with the April 12-month CPI for the Northeast Region compounded annually for years 2019, 2020, 2021, and a projected 8% for 2022.

*Fred Thumm made a motion to recommend that the Executive Board and the full Board approve the FY23 Staff Compensation Schedule as presented to be considered alongside the FY23 final budget, seconded by Peter Carbee. - voting in favor: unanimous.*

**6. FY23 Final Budget, Review:** The General Manager provided an overview of the FY23 Final Capital Plan and FY23 Final Budget.

The largest change from the Preliminary FY23 Budget approved by the full Board in November, 2021 is to line item #6000 Payroll – an increase of \$105,000. The General Manager explained that approximately \$40,000 of this amount is attributed to an 8% COLA for staff salaries, \$41,000 of the total is for a new Finance/Human Resources position (replaces a half-time Bookkeeper position), and the balance of ~\$24,000 for staff merit increases.

Chair Bill Powell inquired about budgeting for Depreciation in FY23. The General Manager explained that while the District’s long-standing practice of doing so is somewhat unusual, and generally is not recommended by the District’s CPA Robert Pace, it is in the District’s current Financial Policies and Procedures to do so. This is an item that will be taken up by the FOC when policy work resumes, with a recommendation for how to handle depreciation and budgeting made to the Board at a later date.

*Peter Carbee made a motion to recommend Board approval of the FY23 Capital Plan and Final Budget as presented, seconded by Fred Thumm. - voting in favor: unanimous.*

**7. Adjourn** – At 6:33 PM with the approval of the Committee, Bill Powell adjourned the meeting

Respectfully submitted,



Lisa Liotta