

May 15, 2020

Memo: Finance Committee Budget Authority Review

The Finance Committee met on May 8<sup>th</sup>, 2020 for the purpose of reviewing the CSWD Budget presented by the Executive Director.

The Committee Chair is Treasurer Leslie Nulty and as Chair of the CSWD Board I am an Ex Officio Committee member. The level of direct involvement by the Committee instructing specific line items changes concerned me. Line items in a budget cannot usually be cherry-picked without a cascading impact to be considered. Most concerning to me were the discussions on instructions to cut staff hours or the staff's compensation. The Committee is authorized to propose and recommend general changes in Budget to be adjusted by the Executive Director appropriately and then proposed to full Board.

As Chair it appeared these actions were beyond a Committee or individual Commissioner's authority. This Board is obligated to function in compliance with our governing documents and contracts. A controversy that could have serious consequences to the Organization requires independent advice to lead to a solution since all participants have their own stake in the outcome. I sought advice from the CSWD personnel Attorney who is familiar with the Organization. The need for this outside advice was supported by the Executive Director in order to receive clarity regarding the respective roles and responsibilities of the Finance Committee and Executive Director. In addition, I as Chair wanted to understand the lines of authority for the Budget relating to the Executive Director and the Committee in their oversight role representing the Board of Commissioners.

It appeared that the Committee heeded the legal advice and made reasonable proposals and recommendations of further reductions to the budget at the following meeting to be brought to the Board by the Executive Director. However, some Committee members now appear to feel differently and question the legal advice or the process that brought it about.

Only this full Board can resolve this issue so both the Executive Director and the Committee have a clear and uncontroverted understanding of each's role in the Budget. I am asking the Board to decide to what depth the Committee can effect direct changes to the Budget's line items that are beyond proposing and recommending changes.

It is absolutely essential that all Commissioners listen to the audio of May 8<sup>th</sup> and May 12<sup>th</sup> Finance Committee meetings to understand the facts you'll need to find a resolution to this issue. Having heard those Committee discussions this Board can guide us to the correct solution of this issue to your satisfaction. The audio of the meeting is not posted at the Committee website. Commissioners should make the specific request to the Executive Director for the audio link to be sent to you. To be able to make a fair and knowledge decision during the meeting on the 20<sup>th</sup> you'll need to be fully informed by having listened for your selves.

Michelle DaVia  
Chair of the CSWD Board of Commissioners