

**MEMORANDUM**

**DATE:** September 18, 2019  
**TO:** BOARD OF COMMISSIONERS  
**FROM:** Finance Committee Member  
**RE:** RECOMMENDATION REGARDING THE  
STRUCTURE, CHARGE & OBJECTIVES OF THE FINANCE COMMITTEE

In November 1996, the Board of Commissioners was presented with a recommended structure, charge, and objectives for a newly created Finance Committee. The Board adopted the recommendations, which have remained unchanged. The 2019-2020 Finance Committee is recommending updating the structure, charge, and objectives of the committee. The following proposal reflects the comments made at the September Finance Committee meeting.

**STRUCTURE**

- The Commission’s Chairperson shall appoint each member comprised of a minimum of three (3) and not more than five (5) member municipality representatives, at least one of whom shall be the Treasurer.
- Each member to serve one-year term.
- At least one member of the committee be re-appointed for successive year if possible.
- Meetings will be scheduled as often as necessary during the week of the month prior to the scheduled Executive Committee meeting.
- Additional meetings as required.

**CHARGE**

- To provide a mechanism for the Board to have a structured, substantive and knowledgeable role in the District’s financial management.
- To represent the Board while working closely with District staff, auditors and financial advisors.

**OBJECTIVES**

**1. Budget Development Process**

- Collaborate with staff on assumptions used to build budget.
- Review proposed budget and recommend changes.
- Recommend budget to full Board.
- Be available to accompany staff on presenting annual budget at municipal council/selectboard meetings.

**2. Budget Tracking Process**

- Examine and approve warrants in advance of the regular board meeting.
- Review periodic expense and revenue reports and compare to budget.

- Review reasons for budget line-item transfers and recommend transfer requests to full Board.

### 3. **Other Financial Management Activities**

- Collaborate with staff to develop capital planning and capital budgets.
- Review investment policies and recommend amendments as appropriate.
- Review financial management policies, including pricing methodologies and mechanisms.
- Evaluate Auditors and recommend selection on tri- annual basis.
- Review annual audit and management letter.
- Track staff's adherence in implementing recommendations included in auditor's management letter.

*f/ALLSHARE/BOARD/FINANCE/CHARGE*

## MEMORANDUM

DATE: ~~September 18, 2019~~ November 15, 1996  
TO: BOARD OF COMMISSIONERS  
FROM: ~~Chris Pingert & John Guttler,~~ Finance Committee Members  
RE: RECOMMENDATION REGARDING THE  
STRUCTURE, CHARGE & OBJECTIVES OF THE FINANCE COMMITTEE

~~In November 1996, the Board of Commissioners was presented with a recommended structure, charge, and objectives for a newly created Finance Committee. The Board adopted the recommendations, which have remained unchanged. The 2019-2020 Finance Committee is recommending updating the structure, charge, and objectives of the committee. At the district's annual meeting the board unanimously moved to delegate the appointment of the Finance Committee members to the Chairman. Prior to appointing members to the committee for FY '97, the chair requested current Finance Committee members to provide their recommendation for the structure and charge of the finance committee. We presented the first draft at the August 1996 Board meeting and followed up with detailed discussion at the September 1996 meeting. The purpose in having a structure and charge is to be sure we are doing the job that the Commissioners expect us to do and that staff will know what our role is. We anticipate that after a period of time we will recommend changes and the Board will review the functions of the Finance Committee. The following proposal reflects the comments made at the September Finance Committee previous meetings.~~

### STRUCTURE

- ~~The Commission's Chairperson shall appoint each member c~~Comprised of a minimum of three (3) and not more than five (5) member municipality representatives, at least one of whom shall be the Chair of the Board and another shall be the Treasurer.
- Each member -to serve one year -term.s.
- At least one member of the committee be re-appointed for successive year if possible.
- ~~Regular monthly M~~meetings will be scheduled as often as necessary duringfor the ~~3rd~~ week of the month prior to the scheduled Executive Committee meeting.
- Additional meetings as required ~~for budget development process.~~

### CHARGE

- To provide a mechanism for the Board to have a structured, -substantive and knowledgeable role in the District's financial management.
- To represent the Board while working closely with District staff, auditors and financial advisors.

### OBJECTIVES

#### 1. Budget Development Process

- ~~Advise~~ Collaborate with staff on assumptions used to build budget.
- Review proposed budget and recommend changes.
- Recommend budget to full Board.
- ~~Be available to A~~accompany -staff on presenting annual budget at municipal council/selectboard meetings.

## 2. Budget Tracking Process

- Examine and approve warrants in advance of the regular board meeting.
- Review periodic expense and revenue reports and compare to budget.
- Review reasons for budget line-item transfers and recommend transfer requests to full Board.
- ~~Review reasons for transfers from Prospective Unusual Development (PUD) program.~~

## 3. Other Financial Management Activities

- Collaborate with staff to develop capital planning and capital budgets.
- Review investment policies and recommend amendments as appropriate.
- Review financial management policies, including pricing methodologies and mechanisms. ~~policies~~
- ~~Review accounts receivable history on a monthly basis.~~
- Evaluate Auditors and recommend selection on tri-annual basis.
- Review annual audit and management letter.
- Track staff's adherence in implementing recommendations included in auditor's management letter.

*/ALLSHARE/BOARD/FINANCE/CHARGE*