

Minutes, Meeting of Norwich Finance Committee
January 20, 2020, 8:00 PM – Norwich Inn

Present: David Barlow (Vice Chair), Ryan Gardner (Secretary), Cheryl Lindberg, Omer Trajman (Chair), Garrett Palm

Absent: Emmanuel Tesone

Public Present: none

1. A quorum being present, the meeting was called to order at 8:05 PM.
2. The Committee reviewed and discussed the agenda. Cheryl Lindberg moved to approve the agenda. Dave Barlow seconded the motion. The motion to approve the agenda was passed unanimously.
3. The Committee reviewed and discussed the draft meeting minutes from its January 13, 2020 meeting. Garrett Palm moved to approve the minutes. Cheryl Lindberg seconded the motion. The minutes were approved unanimously.
4. No members of the public were present.
5. The Committee reviewed the status of work performed in response to Selectboard's request for the Finance Committee to review capital budgets and designated funds.

The Committee reviewed prior year accounts and reporting in an effort to review the current account balance, cash balance, and cash flow of each designated fund. The Committee discovered that there were a number of discrepancies (some minor) between the unaudited and audited reports year by year, with a lack of clarity as to whether the prior year's numbers were reconciled post-audit (i.e. netting items out at the end of the year and the receipt of the audit). As such, it is challenging to determine the actual account balance, cash balance, and cash flow for each designated fund.

The Committee discussed whether designated funds are the most effective method of budgeting for capital equipment. The Committee had looked to the annual reports of several other municipalities and noticed that capital expenses were often borrowed against by bonds, rather than in designated funds. Designated funds should be for specified recurring expenses that cannot be borrowed against. Other designated funds are typically for assessing projects (studies), or for one-time expenses.

The Committee also discussed the budget process generally. Cheryl Lindberg and Ryan Gardner recommended that the Selectboard review and consider revenues as part of the budget process.

In addition, the Committee recommended that the Selectboard look toward the equivalent of a 10-year capital improvement budget, whether via a capital improvement committee or the existing Committee. This process would discuss/review the long-term budgeting process and work with the Selectboard to get inputs.

Omer will prepare a summary of the Committee's review of the various Selectboard requests and provide it to the Selectboard.

6. The Committee agreed to discuss the date of their next meeting via email.
7. At 10:14 PM, Ryan Gardner moved to adjourn the meeting. Dave Barlow seconded the motion. The motion to adjourn was passed unanimously. The meeting was adjourned at 10:15 PM.

Respectfully submitted,

Ryan Gardner, Secretary