

July 20, 2021

Hello, Finance Committee! Here are my thoughts on how we might proceed with the financial policies update project. I am offering them to you a day in advance to reflect on, but please do not begin discussion until we are in a public meeting. ~ Jen Audley

In his presentation to us on July 7, Rob Addelson presented us with a set of eighteen draft policies (see the list below), and he highlighted aspects of eight of those policies that he suggested we might want to discuss. Those recommendations are captured in his “elaboration of talking points” memo, which I received this evening and which is attached here.

My proposal for proceeding with the project follows. I have several goals in mind:

- 1) The town would benefit from having updated financial policies in place when FY23 budget development begins this fall.
- 2) The Finance Committee should take responsibility for finishing this project in a timely manner. We are the appropriate body to review and finalize these policies before presenting them to the Selectboard with a recommendation for approval.
- 3) The Finance Committee should endeavor to make the town’s financial policies more accessible to the public, Town staff, and Town Meeting members.

Steps:

July 28

Before meeting, Finance Committee members consider each of the 18 draft policies and rate them on a scale of 1-5:

1) Approve as drafted ... 3) approve with changes ... 5) hold until _____

[For the “hold” rating, you should explain what conditions need to be in place for this to move forward]

At the meeting, we will review the results and determine which of the 18 draft policies we will attempt to finalize for FY23.

Aug 4 & Aug 11

Discuss and finalize each of the policies members are willing to approve w/ amendments.

Aug 23 (Monday)

Present the policies we recommend for approval to the Selectboard along with the new financial forecasting tool/guide. Ask the Selectboard to schedule a vote for a future meeting, allowing several weeks for consideration.

Sept 1

Finance Committee meeting devoted to demonstrating how forecasting tool and policies will be used; with time for questions and comments.

Sept 8

If needed, this is time when recommendations for adjustments could be discussed by Fin Com

Sept 20

Selectboard vote in response to the Finance Committee's request to approve financial policies

A. FINANCIAL MANAGEMENT POLICIES	4
A-1 Annual Budget Process (hold)	4
A-2 Capital Planning (hold)	8
A-3 Debt Management ()	14
A-4 Enterprise Fund (review draft 12.22.20)	20
A-5 Financial Reserves (review draft 12.17.20)	24
A-6 Investments (new)	32
A-7 Other Post-Employment Benefits (OPEB) (new)	35
A-8 Enforcement of Property Tax Collections (review draft 04.15.21)	38
A-9 Tax Rate Setting (review draft 12.17.20)	44
A-10 Revenue and Expenditure Forecasting (review draft 12.17.20)	48
A-12 User Fees (review draft 03.09.21)	54
B. FINANCIAL OPERATIONS POLICIES	57
B-1 Cash and Receivables Reconciliations (review draft 02.03.21)	57
B-2 Grant Management (review draft 12.17.20)	60
B-3 Employee Reimbursements (review draft 03.09.21)	64
B-4 Anti-Fraud (review draft 01.07.21)	69
B-5 Procurement	73
B-6 Revenue Processing (review draft 03.09.21)	77