



Minutes of the Steering Committee
St. Barnabas Church, Norwich, Vt.
December 14, 2009

The meeting commenced at 9 a.m.

Attending: George Watkins, Nat Tripp, John Lawe, Hank Swan, Cheston Newbold, David Deen, Sharon Francis, Cleve Kapala, Bev Major (chair), Peter Gregory, Nancy Franklin, Adair Mulligan, Rebecca Brown

1. Finances.

a. Auditor's Management Letter. The letter reflects new tighter accounting standards, including that someone within the CRJC organization be a qualified accountant. Agreed that this is too much to expect from a volunteer commissioner. Sharon proposed supporting Theresa in amplifying her accounting credentials for this purpose. Nancy Franklin: motion to have Business and Office Manager Theresa Darling take needed courses and have CRJC pay tuition, with goal that she learn to do the monthly financial statements. George second. Unanimous. Sharon will send all the commissioners the management letter and her reply.

b. 11-30-09 Financial Report. Sharon has modified the report format to show income sources by category. Nancy asked that these sources also be numbered. Sharon explained that the NH DOT is holding our current Byway invoice. The department has gone through an audit themselves and an auditor is looking at our invoice. Their auditor has sent questions about how we formulate our indirect cost rate to Larry Reed, who has responded. The department has advised us to stop work on the Byway Web site redesign until their questions are resolved. Cleve suggests that we talk with Councilor Ray Burton and let him know that this contract, which was approved by the Council years ago, is stalled at the DOT. We have a June 30, 2010 deadline for many projects.

c. Accounts receivable and payable. Theresa prepared these reports showing anticipated revenue, accounts payable, and aging of the accounts. These reports can be provided monthly or as required. We have \$141,921.20 of anticipated revenue in December. The largest amount is with the NH OEP, which expects to pay shortly. Sharon asked for advice, however, if payments are not received and we have a shortage for meeting our operating expenses and payroll at the end of the month. Hank does not think a bank would provide credit, unless we have a friendly local banker, in which case it would be good to inquire. Our monthly payroll and regular expenditures are \$22,000, and we have \$21,000 in cash. Nat observed that in some organizations the ED has taken a reduction in salary in order to keep operations going. Sharon noted that as executive director, she will go down with the ship and defer her paycheck if necessary.

d. Revised Budget. The original budget included many items anticipated to be contracted out that have not been necessary, with a larger ending cash balance the result. The initial and revised budget anticipates that we spend nearly \$130,000 on history itineraries by June 30, which is unlikely to be attained. We will seek an extension on this contract through the Vermont AOT. Sharon explained that the new budget does not require this entire income source to keep us afloat, but, if the Colebrook project is delayed further and we do not receive revenue for it, we will have a greater need for the itinerary income. Motion to present this budget, subject to clarifying some items and making any other any other needed adjustments, to the next full commissions meeting with the recommendation to approve: George, Nancy second. Unanimous.

e. Statement of Financial Condition. Sharon presented an accrual based Balance Sheet. There were no questions. Peter requests a list of restricted funds and cash balance, showing how much has been drawn down for general operations, and how much for the purpose of the grant. Since most public agencies follow a reimbursement policy, rather than paying cash up front, it puts the organization in a difficult position, but it is crucial not to spend out what is not earned.

f. Additional commissioner participation in financial oversight. Bev recommended establishing a finance committee that would report to the steering committee. Nat suggests that a member of the Byway Council be on the committee. John suggests that the steering committee meet more frequently and focus on the finances every other month and non financial people not necessarily attend. Bev suggests that a finance committee could sometimes meet at the office to review the project portfolios. Peter thinks the group should meet more often right now. Michaela Stickney has offered to serve on a finance committee. Hank indicated he would be willing to serve. The finance committee should review the 990 too. Cleve will send a memo from the NH Humanities Council regarding the 990. Bev: Motion to establish a finance committee and have the steering committee define its role, suggest bylaw changes to reflect this, and propose it at the next commissions meeting. Second: Nancy. Three in favor, Sharon abstains, wanting to know more of the role and how it interacts with the steering committee, and any additional requirements that may be made of staff. She wants to reduce the time she is spending on financial reporting in order to get to other work. Bev says that the officers will work on defining this and revising the bylaws, membership, meeting frequency, etc. Cheston suggests changing the membership of the steering committee to include more people, for instance some at large members from the commissions. Nat suggests asking Glenn English to join the finance committee. He will talk with him. There will be a special steering committee January 11 (12th in case of snow) to discuss the formation of the committee, and Hank will provide some examples of charters for finance committees. Bev will talk with Michaela. The 990 will be provided to commissioners.

3. Program Updates.

a. Byway. Rebecca detailed her discussion with the NH DOT project manager for Byway, including his prediction that \$15,000 in overhead in the current invoice will not be paid. She is providing details to him on the hiring process for the Web site consultant, which has been requested by the auditor. Peter said it would be helpful for CRJC to have a procurement policy to help address federal procurement requirements. Peter will send a

copy of his and Cheston will get the one from the UVRPC. Peter offered to assist in indirect cost allocation planning.

b. River programs. Adair will finish the water management presentations with Brattleboro in January (delayed from December because of weather). She has made CDs for the commissioners and subcommittee members of the presentations and the plans, including overviews, for each LRS region. The water resources plans have all been published, but there are not enough to give to commissioners, or all schools, libraries or conservation commissions. We have applied to the Vermont conservation license plate program for additional funds for printing more, for a replacement laptop, for publication of the local recreation plans, and for new exhibits that may be used in presentations. Cleve suggested that CDs would be as useful as printed plans, as well as far less expensive. Sharon added that this application for over \$19,000 includes approximately \$7,000 for staff time and expenses, a realistic request.

c. Riverbanks. We have filed for an extension for the Ammonoosuc project with the MEF. The local advisory committee has chosen some focus areas. We are waiting for authorization from EDA on the Colebrook project, but have started the survey for the conservation easement. Fish and Game will consider holding the easement.

4. By-Law proposed revision. Sharon had provided wording to address the question raised and voted at the September 28 CRJC meeting about the role of the Steering Committee. Peter requested that the Steering Committee not act upon that single item, but take a larger review of the By-Laws and consider addition of a finance committee to the organization's structure.

5. Minutes from October 19, 2009. Motion to approve: Peter, with an amendment. Nancy second. At #7, Other Business, after "time sheets in particular" insert "Another concern Peter raised is that restricted funds are being used to pay for operations, and that commissioners could be liable." He further expressed concern about board member liability for the financial oversight of the organization. Sharon sought advice on how to not use restricted funds on a temporary basis when we need operating cash, so long as management is certain that the funds used are match for income that will be received and the amounts used are within budget. Nancy said the finance committee could help with this. On page 2 there is a typo "fold storage" should read "flood storage." Approved unanimously.

Adjourned at 12:14.