

DRAFT MINUTES

Finance Committee Agenda

Tuesday, October 22, 2024

Town Hall 104

North King Street

6:00 p.m.

1) Call to order 6:00 pm

a. Committee members in attendance: Mayor Gatz, Marcy Bartlett, Marty Amerikaner

2) Approval of minutes of September 2024: Marcy moved acceptance, Marty seconded; passed unanimously

3) Visitors: Chris Longerbeam, (CPA, temporary financial consultant for the Town) Sue Kemnitzer (Chair, Water Board), Jessica Jacot, (Sr. V.P., Jefferson Security Bank)

4) Old Business

5) New Business

a. Current agreement with Jefferson Security Bank for Banking Services: Jessica provided the committee with documents and descriptions of the various accounts that the Town has with JSB, and the service agreement between the Town and JSB. The two-year agreement (dated 9/20/23) clarifies that all Town accounts earn an interest rate of 50% of the Wall Street Journal Prime Rate; at signing, that rate was 8.5%, meaning that the Town earns a 4.25% rate until such time as the Wall Street Journal Prime rate changes. The agreement also clarifies that the Bank is not charging the Town any fees for the routine services tied to these accounts. Chris Longerbeam confirmed that this is a very good overall package and interest rate. Jessica discussed the Town's current practices and made suggestions for our consideration:

- i The Town has one credit card account, and 3 staff entitled to log on to the online banking account. Jessica's suggestion is for each user to have a separate log on, which would help keep track of who is doing what within this system.
 - ii She also suggested that we consider adopting a new cash management product to assist with direct deposits and payments to vendors. This product might also be helpful for Town residents to make online payments.
 - iii Last, she suggested considering a new product to help protect against fraudulent checks. She noted that there would be some additional work for staff uploading the check register and monitoring the system for any warnings triggered by a questionable check.
- b. Briefing on Town Financial Management Practices:

Chris Longerbeam reported on his work so far. He is finished with a preliminary report on the overall functioning of the Town's financial functioning; it is being reviewed by his supervisor and should be ready by the end of this week. Sue Kemnitzer raised a question about the Water Board finances, and Chris L. noted that he is just beginning his work on that part of the Town's finances.

He is recommending several changes for Town financial management:

- i Setting spending limits for each department manager (e.g. \$5000) for routine payments.
 - ii Higher-dollar invoices would require approval by the Finance Committee (or possibly TC). Finance Committee members should be the designated check signers, with continued requirements for two signatures.
 - iii Town should adopt a policy for semi-monthly payments for all checks. That would simplify the tracking of checks and allow department managers to know that a set time twice month is needed for that work, rather than finding time repeatedly throughout the month.
 - iv Tightening control over who collects money from the Town's drop box, and possibly creating a new Police Dept drop box to separate it from the Town's drop box
- c. Briefing on Revised Format for Town Budget:
Chris L. led us through a review of a new format for presenting the budget for review. One new column on this format includes comments to inform or explain an entry on a particular line.
- d. Planning for FY26 Budget Development: postponed until next meeting
- e. Adjournment: Marty moved, Marcy seconded; meeting adjourned at 8:20