

NVC Finance Committee Meeting (Virtual) – May 11, 2023

Attendees: Fred Lincoln (Chair), Committee members Bill Eastty, Bill Cressey, Jeff Magee, and Wendy Huntoon (NVC Treasurer). NVC President Janae Novotny and Utilities Chair/Overseer Jeffrey Wilt also participated, along with a member of the village public.

The Zoom meeting was called to order by F. Lincoln at 4:30 p.m. (eastern). Key agenda topics were as follows:

- Overview of the current Draft 2024 General Government Budget, to ensure concurrence and address any remaining concerns in advance of the next Overseer Budget Workshop being held May 28, 2023.
- Review draft Infrastructure planning progress in anticipation of 2024 and beyond fiscal impact.
- Discussion of Reserves and account balance building for future year projects, including those with matching grant opportunities.
- Outstanding Bookkeeping actions (2021, 2022, and year-to-date 2023 activities)
- Consideration of donations and contributions (other than unspecified cash) and potential ongoing NVC fiscal responsibility

DRAFT 2024 GENERAL GOVERNMENT BUDGET AND INFRASTRUCTURE

A current version of the draft budget planning document was reviewed by the committee, with no significant concerns expressed regarding the expense account values presented. General conversation surrounded the balance of meeting ongoing operating expense and capital improvement needs while being mindful of taxpayer affordability and managing the annual percentage of tax increases.

Prior to the meeting, committee members were reminded to review the planning worksheet furnished to the village public in advance of the Infrastructure committee's May 6, 2023 meeting. The Finance Committee expressed no material objections to the carefully outlined project needs or priority listing. It was emphasized that a formal, multi-year schedule of events and related costs will better support the annual budgeting process, although recognizing the existing difficulty of securing firm vendor/contractor quotes for work planned outside the current year. While being sensitive to avoiding large percentage tax increases, ongoing concern was again voiced regarding the "piling up" of needed projects to a point where the village is backed into a reactive decision mode with multiple projects needing attention within a short timeframe. Depending on the future direction of interest rates, committee members also socialized the feasibility of securing additional financing to accomplish the higher priority projects sooner than later (and spreading the associated bond payment costs over several years). The Finance Committee will continue supporting related dialogue with the respective NVC committee members, the Village Agent, and other village officials as necessary.

RESERVES

In further reference to the above, the NVC Finance Committee respectfully presents the following **recommendation** to the NVC Board of Overseers:

As a move forward in preserving and building the availability of General Government reserve funds, the Finance Committee recommends the amount used from reserves in 2024 toward payment of the seawall bond be limited to \$20,000 (a reduction of \$5,000 from the current level).

BOOKEEPING ACTIONS

The NVC Treasurer referred the committee to an updated list of several long-standing bookkeeping and accounting actions that remain outstanding with NVC's bookkeeping firm. The Finance committee concurs with the Treasurer's concerned reporting and heard from the NVC Utilities Chair (Jeffrey Wilt) on related impacts to the Utilities department, including their challenges with the unavailability of current expenditure

activities (due to accounting errors and/or being incomplete in QuickBooks). In addition, there are overdue accounting actions that have been in the bookkeeper's queue for over two months and continue holding up NVC's ability to move forward with Purdy Powers for the 2021 audit conduct. Jeffrey also reminded the Finance Committee that our being this far behind with audit completion further poses a significant risk with USDA requirements, among other concerns.

The Finance Committee concurred with the opinions expressed by the NVC Treasurer and Utilities Trustee Chair that strong consideration be made to determine the availability of Wilke & Associates for completing the outstanding accounting activities with the General Ledger (per outcome of the 2020 audit) to facilitate commencement of the 2021 audit. Under the circumstances, engagement of Wilke & Associates was deemed prudent given their involvement with the completed 2020 audit and positively established relationship with the Purdy Powers auditing firm.

For the outstanding 2023 accounting activities (including payroll reconciliation), it was felt this could be accomplished if the NVC Office Manager position is filled soon and in coordination with NVC volunteer support for historical familiarity. For the 2022 accounting reconciliation work to be done, a member of the committee opined on the availability of a qualified local talent who may be available to support those efforts. It was felt priorities should be placed on remaining actions to prepare the 2021 audit start, along with the 2023 work mentioned above. While important, it was determined the 2022 accounting work might be accomplished a bit later and potentially by another individual, providing that work scope responsibilities are clearly defined.

DONATIONS AND GIFTS TO NVC

Recently proposed individual gift/donation offerings to the village have triggered concerns associated with corresponding long term financial responsibilities that could potentially fall on NVC (i.e., ongoing maintenance or replacement of physical items). Active discussion occurred among committee members, with the focus being solely on fiscal impact. In conclusion, the NVC Finance Committee respectfully presents the following **recommendation** to the NVC Board of Overseers:

To ensure NVC's potential financial exposure associated with donations and gifts is comprehensively understood, the Finance Committee recommends that before accepting a donation or gift other than unrestricted cash, the Board directs that a fiscal impact assessment be performed and that the Finance Committee be engaged as appropriate for an opinion regarding direct or indirect future fiscal impacts of the proposed donation or gift.

Meeting adjourned at 5:40 p.m. (Eastern)

Respectfully submitted by Fred Lincoln, NVC Board Member and Finance Committee Chair