

NVC Finance Committee Meeting (Virtual) – Feb. 1, 2023

Attendees: Fred Lincoln (Chair), Wendy Huntoon (Treasurer), Committee members Bill Eastty and Bill Cressey, and Janae Novotny (NVC President). One member of the public, Dan Webster, also attended. As a reminder, members of the public are welcome to monitor these meetings.

F. Lincoln called the Zoom meeting to order at 5 p.m. (eastern), with the primary objective to launch planning activities and determining work scope with the CY 2024 General Government budget. The NVC Overseers have asked that a draft budget be developed by May 2023.

A refreshed budget template, updated to reflect the current QuickBooks structure and coding, was utilized for the meeting conduct, where an overview of each individual account took place. The committee began with general identification of accounts that might be “low hanging fruit” to estimate (e.g., electric utilities), along with other areas anticipated with longer lead time (e.g., potential infrastructure projects). Principal and Interest payments on existing bonds (already approved by village residents) have been determined and will be included in the 2024 budgeted expenditures. The committee will be engaging the NVC committee chairs for input in the estimate development process, as necessary.

Some committee members commented on the necessity of additional cost incurred data by individual expenditure account to better facilitate the budgeting process. The NVC treasurer reminded the committee that 2021 and 2022 activity is pending formal audit, and with the 2022 General Ledger requiring further adjustment by NVC’s bookkeeper (2022 GL activity is currently in review, with needed adjustments being documented by the NVC Treasurer and Finance committee chair). Historical data, as well as prior budget information, will be leveraged as practical in developing bottoms up estimates for 2024. Due to expenditure anomalies that occurred during 2020 and 2021 (due to Covid), actual cost history may not be representative in determining trendlines in all instances.

The current practice (and administrative challenge) of handling shared expenses among the three village departments came up once again, as the accounting has become increasingly complex and administratively burdensome. For the 2024 budget, the committee feels a more manageable approach may be for General Govt. to consider the formulation of a set “fee” charge the utilities departments on a periodic basis. This “fee” would be based on data of historical and forecasted shared costs, to be reviewed at least annually to ensure fair and equitable distribution among the departments. Additional analysis is required.

W. Huntoon reminded the committee of the annual reimbursement typically received from the Town of Northport, designated for expenditures to maintain NVC roads, the wharf, and parks (which benefit all Northport residents). This reimbursement will be considered when developing the 2024 budget.

Dan Webster commented on NVC annual budget increases experienced during the past few years and expressed affordability concerns for some property owners. Dan further asked the committee to consider a Zero-Based budgeting approach when preparing 2024 estimates.

Audit Committee: Meetings of the NVC audit committee (Wendy Huntoon (Chair), Jeffrey Wilt, Janae Novotny, and Fred Lincoln) have commenced (ref. the NVC Treasurer report). The meetings have proven helpful in understanding auditor concerns, perceived gaps, completed remediations, and collaborative sharing of information to facilitate current audit activities and improving 2021 and 2022 audit preparation/posturing. At this time, Purdy Powers may be positioned to begin the 2021 audit after April 2023 (following tax season). Further discussion has occurred regarding the net benefit of transitioning to independent QuickBook accounts for each of the three NVC departments (General Govt., Sewer, and Water). The auditors have indicated this would significantly improve NVC bookkeeping activities and minimize potential accounting findings. This will be socialized further with the Utilities trustees and possibly presented for consideration to the NVC Overseers.

The next Finance Committee meeting (virtual) is planned for March 2, 2023 at 5 p.m. (Eastern)

Submitted by Fred Lincoln, NVC Board member and Finance Committee Chair