

NVC Finance Committee Meeting (Virtual) – April 4, 2023

Attendees: Fred Lincoln (Chair), Committee members Brady Brim-DeForest, Bill Eastty, Jeff Magee, and Wendy Huntoon (NVC Treasurer). NVC President Janae Novotny also participated.

F. Lincoln called the Zoom meeting to order at 4 p.m. (eastern), with the following agenda items as previously communicated:

- Status review of the Draft 2024 General Government Budget Template.
- Identification of shared expenditures benefitting the General Government, Water, and Sewer departments for possible consolidation into a set administrative usage/rent charge by General for improvement to the monthly Warrants/Payments process.
- Discussion of NVC's Capital Planning process and budgeting approach for future years forecasting efficiency opportunities.
- Note: Given the relatively early stages of the 2024 budgeting process, it was determined that an advance public distribution of the Working Draft file would be premature at this time. Members of the community are invited to monitor the Finance Committee and Overseer Budget Workshop meetings, where draft budget information is presented. As 2024 budget details are further developed and vetted by the Board of Overseers, the village public will be presented with more detailed information and provided an opportunity for review and comment in advance of the August annual meeting.

DRAFT 2024 GENERAL GOVERNMENT BUDGET TEMPLATE

The NVC Treasurer provided the committee with the most current draft of the 2024 Budget information, reflecting recent inputs submitted by various committee chairs and the NVC Office. Additional inputs are expected soon from other committees and village officials. Useful commentary by Revenue and Expense category have been entered into the template to help facilitate discussion with the Overseers during their first 2024 Budget Workshop session scheduled for April 8, 2023.

When reviewing prior year-over-year data, the committee collectively expressed continued frustration with some historical expenditures that were more challenging to compare due to outstanding bookkeeper reconciliation actions.

Infrastructure projects remain as one of the most significant expense categories, with some costs currently in development. Baseline information from the Infrastructure Chair (in coordination with the NVC Village Agent) is expected soon, where potential projects by category will be offered for review and further comment by the Overseers.

SHARED EXPENDITURES ACROSS NVC DEPTS. – ADMISITRATIVE IMPROVEMENT

Per solicited direction received at the March 12, 2023 Overseers meeting, the Finance Committee has collaborated with the NVC Treasurer to identify candidate non-payroll related expenditure categories currently shared and paid for by both General Government and the Utilities departments (recurring expenditure examples are related to the Community Hall NVC office, village truck fuel/maintenance, shared utilities costs, etc. The objective is to collect and quantify these categories for development of a periodic, established "rent" or administrative fee charged by General Government to the Water and Sewer departments, significantly reducing the number of administrative invoicing/payment split transactions that currently occur.

The Finance Committee Chair is tasked with reviewing the 2023 Water and Sewer budgets for identifying candidate shared costs, along with a review of current expenditures experienced, to develop an estimate for

potential use in 2024 (and subsequently reviewed for accuracy at least annually). It has been recommended that Chuck Applebee be consulted for input on appropriate utilities expenditure categories to be collected. The resulting findings/opinions would need to be presented to the Utilities Trustees for concurrence, prior to presentation to the Overseers. The current goal is to have the analysis and buy-in accomplished in time for discussion at the Overseers April 29, 2023 Budget Workshop or for the May 2023 Overseers meeting.

CAPITAL PLANNING PROCESS/APPROACH

To promote the accuracy of forecasting current and future year anticipated major projects, the Finance Committee suggests that a comprehensive waterfall schedule by event priority and anticipated calendar year occurrence, with corresponding cost estimates where possible, be formally maintained to assist with the ongoing annual budget process activities. This is being viewed as a leading practice to formally drive the identification of annual operating costs vs. capital expenditure needs, which might have different funding needs, and for avoidance of expense surprises as village needs occur.

The Finance committee chair will request this topic be included for discussion on the Overseer's April 16, 2023 meeting agenda.

Meeting adjourned at 5:00 p.m. (Eastern)

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