Waterville Estates Village District

Budget Advisory Committee Meeting February 1, 2021

The Budget Advisory Committee meeting was called to order at 1601 hours via Zoom. Present were Mark Canfield, and Gerry Panuczak. Guests included Ned McElroy.

Mr. Panuczak made a motion to accept 1/25/2021 meeting minutes. Mr. Canfield seconded the motion. All members present voted affirmative.

Mr. Canfield stated that Linda Ivers has resigned from the committee for personal reasons. Mr. Canfield thanked Ms. Ivers for her contributions to the committee and wished her well. Mr. Panuczak stated that both the Treasurer and Assistant Treasurer positions for the District have been posted, and that there has been two interested parties to date.

Mr. Tracy Duffy was not in attendance at the meeting. Mr. Canfield suggested that he would be invited to the next committee meeting scheduled for February 8, 2021.

Mr. Corey Smith was not in attendance at the meeting. Mr. Canfield called him, and he said he could not attend the meeting as he was having his windshield replaced on his truck.

Mr. Canfield discussed some general budget concerns. Mr. Canfield stated that $800,000 plus would need to be built into the 2021 budget if we follow the 2019 Engineering Reserve Study recommendations. Mr. Canfield updated the Budget work sheet tab titled capital preservation with the current year and 5 future years' projections using the Reserve Study, providing this information to the General Manager. The current year's budget requirement exceeds the reserve study due to large immediate project needs, but over time (two years) is reduced below the study's recommendation. How to fund the bottom-line impact of the reserves has three options: increased taxes, an ongoing and consistent Association commitment from the CIF fund, or allowing assets to deteriorate. Mr. Canfield recommended an annual commitment of a reasonable percentage of the annual reserves. Currently the CIF fund contains more than $400,000 and this money should be viewed as to belonging to the community and not just to the Association for pet projects.

It was suggested that the General Manager should work with the Association to close the $55,000 gap in their original budget submission. Mr. Canfield noted that the first month of 2021 operation is already at a $20,000 deficit. Mr. Panuczak stated that the General Manager and/or the Budget Advisory Committee should inform taxpayers of the negative tax effect of $250,000 (missed 4th quarter facility fee and YE loss) Rec Fund deficit in 2020. Mr. Canfield suggested that some members of the Association Board are open to discussing his recommendations for revenue improvement and cost containment. Mr. McElroy stated that the 2021 and future budgets should include funding for capital preservation, and supported that auditor's finding of holding expenditures to actual budgeted categories (expenditure budget).

The next meeting was scheduled for February 8, 2021 at 1600 hours. The meeting was adjourned at 1700 hours.

Respectfully Submitted

Gerry Panuczak