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September 26, 2024

To: All BBVCC Members

Re: Birch Bay Village Community Club Budget for 2025

Dear Birch Bay Community Club Member,

It is once again time for you and your fellow members to cast your votes for proposed Birch Bay Village Budget for the upcoming year. Your vote, to either ratify or reject the proposed budget, is the final and most important step in the budget process.

In its simplest form, a budget is a plan expressed in numbers. It identifies the priorities and values of an organization by showing where it places its money. The BBVCC Board, committees and management worked many hours over the past three months to gather information, and then plan and prioritize, based on their findings.

This memo outlines that work as well as key assumptions and risk factors driving the 2025 proposed budget for Birch Bay Village Community Club. It covers the primary drivers of income and expense in major cost center categories including Administration, Maintenance, Marina, Golf, Security, Pool, Recreation Center, and General Expense. For summary purposes, items highlighted for discussion have variances of \$5,000 plus or minus from the prior year. In addition to the Operating Budget, this memo addresses considerations for funding the Marina, Roads and Drainage, and General Reserve Funds.

Key Assumptions for 2025 Operating Budget

Administration:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Legal/Collections (Income)	0	0	11,250	11,250	
ACC Fees (Income)	12,000	22,300	20,000	8,000	67%
Admin Staffing	519,428	431,257	624,682	105,254	20%
Insurance	121,000	153,263	127,655	6,655	6%
Outside Contracts	3,000	21,105	30,000	27,000	900%
Computer Support	6,100	12,402	18,000	11,900	195%
Outside Printing	14,000	500	1,000	13,000	-107%

Income:

- **Legal Fees:** Assumes increase in fees for past due collections and other legal fees.

- **ACC Fees:** Projected continued increase in Village remodeling and building activity over 2024 budget

Expense:

- **Staffing:** Brings FT compliance officers from Security budget in 2024 into Admin budget. Continues adjustment to market for wage and benefits started in 2024. Hires Assistant GM not replaced in 2024.
- **Insurance:** Increase from 2024 budget by \$64K. \$54K due to insuring new docks, \$10K general increase. Switched agents and insurers reducing total renewal by \$44K to just \$6K from original 2024 budget.
- **Outside Contracts:** Assumes outsourcing of most bookkeeping functions including billing, A/P, GL reconciliations, audit assistance and higher-level bookkeeping functions.
- **Computer Support:** New provider. Increase in contract, lower ad-hoc service calls. Assumes increased need for support for installing new camera system.
- **Outside Printing:** \$13K decrease due to online voting and in-house printing instead.

Maintenance:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Maintenance Labor & Materials (Income)	15,000	0	0	-15,000	
Maintenance Labor (expense)	354,961	303,000	500,598	145,637	41%
Outside Contract	6,000	4,300	26,000	20,000	Moved \$20K from other line item
Repairs-Roads & Drainage	14,000	14,200	30,000	16,000	114%
Lake Management	39,000	39,000	49,000	10,000	25%
Repairs	10,000	10,300	26,000	16,000	160%
Landscaping	30,000	30,000	40,000	10,000	33%
Parks	20,000	20,000	10,000	10,000	50%

Income:

- **Maintenance Labor:** Income item billed to reserves for Maintenance labor hours and materials to be transferred to reserves. Will transfer as needed, but not budgeted.

Expense:

- **Maintenance Labor:** Increase staff wages and benefits to market incrementally as per 2024 plan. Increase current staffing hours to Full-Time (F/T) and hire 1.25 F/T employees. Increase effort in landscaping.
- **Outside Contracts:** Even with increases in staffing it will be necessary to increase the use of outside contractors to assist the maintenance department. This \$20,000 was moved from a general maintenance request line item called "Department Request" that had no designated general ledger account in 2024.
- **Roads & Drainage-Repairs:** Crack sealing and catch basin cleanout. Catch basin maintenance will be multiyear program.
- **Lake Management:** Increased algae and aquatic plant growth require additional resources to address.
- **Building Repairs:** Combining with Facilities Maintenance. Increase \$10K to address conditions in all buildings not addressed by reserve projects, such as exterior painting, plumbing, lighting, heating and electrical issues.
- **Landscaping:** Increase emphasis on weeding, plantings, edging, mulch, and re-graveling as per landscape plan.
- **Parks:** Decreased by \$10,000 due to much of the activity being in general reserve.

Marina:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Annual Moorage (Income)	366,000	341,900	428,881	62,881	25% increase over 2024 projected. 17% increase over 2024 budget
Marina Fuel (Income)	90,000	43,528	99,750	9,750	11%
Marina Usage Fees	45,788	44,825	51,549	5,761	15% over 2024 projected 13% over 2024 budget
Supplies	15,000	15,000	5,000	-10,000	-66%
Outside Contracting	7,500	7,500	1,500	-6,000	-80%

- **Annual Moorage:** Proposed Annual Moorage Fees income is projected to increase revenues by 25% above projected levels and 17% above 2024 budgeted income. The Marina Committee has been tasked to review comparable moorage rates at nearby HOA marinas to determine BBVCC moorage rates relative to market, but that study is not complete at this time. Marina policy and operations needs to move more to a model of maximizing income.
- **Fuel Income:** Fuel income is expected to exceed 2024 and 2023 levels due to a new dispenser that is delivering more fuel faster to customers and because of an additional \$0.50/gallon surcharge to cover the cost of the new dispenser.
- **Supplies:** reduced to match actual spend in 2023 and projected for 2024.
- **Outside Contracting:** Engineering included in prior year budgets and expenses. These costs will be reallocated to reserves as part of the projects they originate from.

Golf Course:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Annual Greens Fees (Income)	49,279	55,342	58,109	8,830	5% increase over 2024 projected. 18% increase over 2024 budget
Annual Passes (Income)	46,225	51,321	53,887	7,662	5% increase over 2024 projected. 17% increase over 2024 budget
Golf - Other Rentals (Income)	500	579	25,100	24,600	Includes 25 non-member annual passes @ \$980/ea.
Golf - Labor	148,665	154,766	174,253	25,588	17%
Outside Contracting	0	0	10,000	10,000	

- **Annual Greens Fees:** Annual Green Fees are proposed to increase by 5% over last year. 2025 income is projected to exceed 2024 budget projections by 18%.
- **Annual Passes:** Annual Punch Cards or Passes are proposed to increase by 5% over last year. 2025 income is projected to exceed 2024 budget projections by 17%.
- **Golf Labor:** Incremental increase wages and benefits to bring Superintendent and Greenskeeper in line with comparable compensation at other local courses.

- **Outside Contract-** Proposed funding for study to determine if water from Kwann Lake can be used to water the Golf Course to reduce \$50K/yr. watering expense.

Security:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Outside Contract Gate Access Control	305,000	303,072	329,136	24,136	7.9% increase over 2024 budget

- **Outside Contracting:** Contracted Gate Access Control due to increase by CPI -W (Urban Wage Earners).

Recreation Center:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Rec Center Labor Expense	147,388	131,796	136,533	-10,855	7.4% decrease from 2024 budget 4% decrease from 2024 projected
Cost of Goods Sold	0	12,832	14,000	1,168	Missed 2024 budget number 9% increase from 2024 Projected

- **Rec Center Labor:** The Rec Center typically experiences a drop in activity after the weather turn cold and rainy and many BBVCC members head south for warmer weather. Recent Rec Center programming tried to address this decline to encourage usage, but it could not overcome the trend. Hours will be reduced to weekends and dependent on weather in late fall, winter and early spring. This is reflected in the decrease in labor projected in 2025.

- **Programming:** Community events and activities will still be encouraged with some activities proposed to be moved to the Clubhouse in anticipation of remodeling work on the Rec Center and to refocus its primary usage back to a golf pro shop.

Pool:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Pool - Labor Expense	16,014	27,094	23,539	7,525	7.4% decrease from 2024 budget 4% decrease from 2024 projected

- **Pool Labor:** Labor is the major driver of the Pool cost center. Pool operations went very well this year, and certain levels of monitoring must be done per health department standards. We are proposing to coordinate Rec Center Labor and Pool Labor for closing duties to eliminate the need for two attendants at the end of each shift.

General Expenses:

Account	2024 Budget	2024 Projected	Proposed 2025	Variance \$\$	Variance %
Interest Operating-(Income)	7,000	39,096	25,000	18,000	250% increase from 2024 budget 36% decrease from 2024 projected
Interest Operating (Tax Expense)	10,000	45,865	45,000	35,000	350% increase from 2024 budget Flat from 2024 projected
Contingency	40,000	40,000	20,000	-20,000	50% decrease from budget and projected

- **Interest Income:** Operating Reserves have generated significantly more interest than in past years. Rates should remain strong enough to continue stronger returns than in the recent past.
- **Interest Tax Expense:** Interest income is the major source of the community’s tax liability. Tax on investment interest income is between 20 and 30%.
- **Contingency:** Given the increases in other parts of the budget, this was a line item that could be reduced.

As a result of taking all of the above into consideration, **the Board and Management are recommending an overall dues increase of 19.9% over 2024 levels. The proposed annual assessment would increase from \$2,160/lot/year to \$2,589/lot/year. This represents an increase of \$429/lot/year or \$35.75/lot/month.** The increase, if ratified, would be effective January 1, 2025.

We understand this is again a major increase and may be a hardship for some members, but much of the increase can be attributed to the resistance to raising dues enough in prior years to keep up with rising costs and deferred maintenance. In order to keep the Village a desirable place for all to live, we collectively must maintain it with the same level of care and pride with which we maintain our own homes.

If the 2025 budget is ratified, we will continue to offer the automatic payment incentive for those who have signed up for automatic payments through our system. Please consider taking advantage of this program as it saves you money while reducing our time spent on collections and accounting. All of these internal efficiencies go toward increasing the span of service delivery of our existing team. Payment plans for monthly, quarterly, and semiannual installments will still be available for an additional fee.

High Level Budget Overview

	2025 Budget		2024 Budget	
	Annual	Per Lot	Annual	Per Lot
Dues	\$2,923,117	\$2,589	\$2,438,285	\$2,160
Administration	823,771	730	605,297	536
Maintenance	767,504	680	569,711	505
Golf	162,686	144	170,220	151
Rec Center	124,483	110	140,838	125
Pool	31,289	28	23,239	21
Clubhouse	8,450	7	8,350	7
Marina	28,200	25	425,234	Funded by Marina
Security	364,956	323	433,194	384
General	56,200	50	52,700	47
Reserves–General/Roads	\$555,577	\$492	\$434,735	\$385

Appendix 1: 2025 Reserve Study Summary & Disclosure Statement in Accordance with RCW 64.38.025

In 2023, the Board had concerns with the accuracy of the then current reserve studies, so it made the development of accurate and reliable reserve studies their top priority in 2024. To that end, the Board engaged the services of Pacific Crest Reserves to conduct a Level 2 reserve study and directed staff to prioritize efforts into providing inputs for each of the three reserve funds.

The Board's concerns with accuracy were centered on three aspects within each reserve study as follows:

Component List – The Board has the responsibility for maintaining all of the common elements of the Club. There were concerns that not all components within the major classifications were accounted for accurately.

Useful Life - There were concerns with the prior reserve studies that the replacement schedules or “useful life” assessments for all items were not accurate.

Unit Cost – Recent replacements of major components were found to be grossly underestimated in cost. For instance, an excavator was in the 2023 reserve study with a replacement cost of \$32,000. The actual cost when replaced in that year was \$85,000.

A comprehensive list of all assets, with accurate estimates of useful remaining lives, and current replacement costs are all essential to developing accurate reserves studies, and most importantly, to determine assessment levels adequate to meet the identified future obligations of the Club.

Indeed, there were significant differences between the 2023 and 2025 reserve studies. The Board's concerns about the validity of the prior reserve studies were justified.

Roads and Drainage Reserves – which fund the long term & major maintenance of our private roads and ditches.

- **2023 reserve study findings**- level of funding of the reserve account **was not adequate** to fund projected expenses for the long term.
- **2025 reserve study findings** - the reserve fund **is adequate** to fund projected expenses for the long term. Reasons for change:
 - More accurately estimates square footage of paved surfaces and a lower reduces per unit cost.
 - Removed near term expensive overflow pump replacement with less costly gravity method, while including other previously omitted culvert replacements.

Marina Reserves – which fund the long-term replacement of the dock, ramps, and fuel area as well as the dredging that is done every 3 years.

- **2023 reserve study findings** - level of funding of the reserve account **is adequate** to fund projected expenses for the long term, even though the fund balance was -\$57,481.
- **2025 reserve study findings** - the reserve fund **is not adequate** in the short-term to fund projected expenses for the long term. Reasons for change:
 - 2025 included \$2 million dollar previously unidentified component of bank stabilization in Tract C.

General Reserves – which fund the replacement and major repair of all other large infrastructure items such as playgrounds, pools, clubhouse, parking lots, office, etc.

- **2023 reserve study findings**- level of funding of the reserve account **was not adequate** to fund projected expenses for the long term. Deficit per lot -357.00.
- **2025 reserve study findings** - the reserve fund **is not adequate** to fund projected expenses for the long term. Deficit per lot -\$1,366. Reasons for change:
 - More accurately estimates replacement costs.
 - Better identifies useful lives.

While it is a Washington State requirement that BBVCC conducts a reserve study, it is not a requirement for the Board to fund the reserves as recommended by the reserve study analyst. Although it is a good practice to keep the percentage of reserve funding between baseline (never going below zero) and full-funding to ensure the long-term viability of our community property, preserve property values, and reduce the chance of special assessments in a community, getting to those levels after years of underfunding reserves takes time. The reserve analyst funding recommendations are based on a fully funded model, but the Board is taking a more pragmatic approach and has opted to select a baseline funding level or slightly above as its target funding level.

If you would like to review the BBVCC 2023 and 2025 Reserve Studies, visit our website at:
<https://bbvcc.com/financial-information/>

The following pages provide disclosure information required by [RCW 64.38.025](#)

Roads and Drainage Fund

Roads and drainage projects are becoming more urgent due to aging infrastructure, but the 2025 reserve study finds this fund to be adequate to address pressing road repairs and drainage improvements, including stormwater management system upgrades. The study found that the current funding level is sufficient to fund future project repairs and replacements. This is what all reserve funds should look like.

**Reserve Study
Disclosure
Form**

In Compliance with RCW 64.34.308 and RCW 64.38.025
(2019)



Name of Association: Birch Bay Village Community - Roads & Drainage

Current Year Reported Budget Contribution to Reserves:	\$295,810
Recommended 2025 Contribution to Reserves, per study:	\$295,810
Funding Plan Used for Recommendations:	Full Funding

Projected Year End Reserve Balance at Current Funding Level:	\$1,391,161
<i><u>(Percentages below indicate the projected year end percentage level of the Reserve Fund vs Fully Funded at the Current Contribution Amount)</u></i>	
Projected Year End Balance If the account was Fully Funded:	\$2,956,068

5 Year Balances

Estimates Per Study:	2025	2026	2027	2028	2029
Projected Year End Reserve Balances at Current Contribution Level	\$1,391,161	\$1,013,434	\$760,649	\$411,448	\$766,927
<i><u>Average Deficit/Surplus Per Member: \$-\$1,079 Percent Funded 54%</u></i>					
Projected Year End Reserve Balances at Recommended Funding Contribution Level:	\$1,391,161	\$1,013,434	\$760,649	\$411,448	\$766,927
Projected Year End Fully Funded Reserves If Fully Funded:	\$2,956,068	\$2,300,671	\$2,193,213	\$1,283,260	\$1,466,306
Percent Reserve is Fully Funded at Current Funding Level:	47%	44%	35%	32%	52%

Based upon the most recent reserve study, will the association have funds to meet obligations for the next 30 years at the current contribution rate?	Yes
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Roads and Drainage Funding: The contribution rate recommended for the Roads and Drainage Fund drops from \$262/lot/yr to baseline funding recommendations of \$246/lot/yr and remains there for a five-year period.

Marina Fund

The Marina Fund will require the most additional funding. Although there will be sizable expenses for pilings, permitting, dredging, fuel tank and dock replacement, a previously unrecognized project was identified in this recent reserve study that has a very large impact on the reserve percentage of funding. Bank armoring or stabilization is the process of placing rock, concrete or metal sheet piling to prevent waterside banks from sloughing into the water from erosion or wave action. This would seem to be a relatively simple process, but it has become increasingly difficult and almost prohibited in the current regulatory environment. To be fair this estimated \$2.4 million dollar project could belong in General Reserves or event Drainage as Tract C (the Marina Basin) is a common area as well as the terminus to BBVCC's drainage system. For now, the total cost estimate has been placed in the Marina Reserve study. Even with careful prioritization of projects and increased contributions from members with marina privileges, the fund will struggle to meet its commitments by 2029 but improves from there. We are hoping that with the help of our permitting consultants that we can significantly reduce the cost of our dredging and find the most cost-effective alternative for bank stabilization to do the same.

**Reserve Study
Disclosure
Form**

In Compliance with RCW 64.34.308 and RCW 64.38.025 (2019)



Name of Association: Birch Bay Village Community - Marina

Current Year Reported Budget Contribution to Reserves: \$425,236

Recommended 2025 Contribution to Reserves, per study: \$2,650,000

Funding Plan Used for Recommendations: Full Funding

Projected Year End Reserve Balance at Current Funding Level: \$133,657

(Percentages below indicate the projected year end percentage level of the Reserve Fund vs Fully Funded at the Current Contribution Amount)

Projected Year End Balance If the account was Fully Funded: \$3,910,162

5 Year Balances

Estimates Per Study:	2025	2026	2027	2028	2029
Projected Year End Reserve Balances at Current Contribution Level	\$133,657	\$496,607	\$764,484	\$1,028,374	-\$1,528,764

Average Deficit/Surplus Per Member: -\$3,319 Percent Funded -4%

Projected Year End Reserve Balances at Recommended Funding Contribution Level:	\$2,416,821	\$2,920,267	\$3,336,356	\$3,756,579	\$951,912
Projected Year End Fully Funded Reserves If Fully Funded:	\$3,910,162	\$4,075,440	\$4,172,794	\$4,283,875	\$1,460,001


Percent Reserve is Fully Funded at Current Funding Level: 3% 12% 18% 24% -105%

Based upon the most recent reserve study, will the association have funds to meet obligations for the next 30 years at the current contribution rate? Yes, Except for the first several years.

- **Marina Funding:** Significant increases in moorage, marina usage fees, and trailer storage will be required to adequately fund permitting, maintenance dredging, piling replacement, fuel dock and tank replacement, and launch ramp refurbishment all within the next five years. BBVCC may need to consider other financing options in the future including increased assessments to lots, loans, or some combination of the two.

General Reserve Fund:

As detailed in the 2025 General Reserve Study, the study finds the reserve balance and funding to be inadequate to cover shorter- and long-term asset repair and replacement in this category. The following table shows what happens at current assessment levels of \$131/lot and the minimum recommended increase to base-line funding, which maintains the reserve balance above zero.



**Reserve Study
Disclosure
Form**
In Compliance with RCW 64.34.308 and RCW 64.38.025 (2019)

Name of Association: Birch Bay Village - General

Current Year Reported Budget Contribution to Reserves:	\$147,541
Recommended 2025 Contribution to Reserves, per study:	\$395,000
Funding Plan Used for Recommendations:	Full Funding

Projected Year End Reserve Balance at Current Funding Level:	\$289,870
<i><u>(Percentages below indicate the projected year end percentage level of the Reserve Fund vs Fully Funded at the Current Contribution Amount)</u></i>	
Projected Year End Balance If the account was Fully Funded:	\$1,989,743

5 Year Balances

Estimates Per Study:	2025	2026	2027	2028	2029
Projected Year End Reserve Balances at Current Contribution Level	\$289,870	\$98,713	-\$114,019	-\$198,298	-\$388,475
<i><u>Average Deficit/Surplus Per Member: \$-\$1,366 Percent Funded 41%</u></i>					
Projected Year End Reserve Balances at Recommended Funding Contribution Level:	\$543,825	\$625,987	\$704,087	\$930,063	\$1,067,992
Projected Year End Fully Funded Reserves If Fully Funded:	\$1,989,743	\$1,956,658	\$1,907,981	\$1,995,587	\$1,965,773
Percent Reserve is Fully Funded at Current Funding Level:	15%	5%	-6%	-10%	-20%

Based upon the most recent reserve study, will the association have funds to meet obligations for the next 30 years at the current contribution rate? No

- **General Reserve Funding:** The contribution rate increase recommended for the General Reserve Fund ensures future capital needs can be met at slightly above baseline. This fund should be bolstered in anticipation of major projects, particularly for facility upgrades or large-scale maintenance issues that are coming in future years. This is not a fully funded reserve model.

Appendix 2: Risk Factors & Final Thoughts

Risk Factors:

- Inflation:

Insurance Costs:

- **Health Insurance** - 23% increase in employee health care costs. It was 33%, but we switched plans keeping the same level of benefits.
- **Package Policy, D&O and Umbrella** – All insurance is increasing greater than the general rate of inflation. BBVCCs loss history points to likely increases in the future. A risk management plan would be advisable to possibly mitigate future claims.

- **Member Dues & Fee Collection:** Any economic downturn or disruption in membership collections may impact the operating budget's revenue assumptions. Diligent monitoring of member dues and fee collection will be necessary to ensure cash flow stability, especially as dues increase. The board may want to consider a hardship policy for members who find themselves in a temporary position where they are unable to meet their financial commitments to the Village and fellow members.

- Regulatory Environment:

- **Permitting** -Changing regulations in environmental compliance, particularly for the marina and stormwater, continues to drive additional costs in both operations and capital expenditures. Estimating these costs have been increasingly difficult.
- **RCW 64.90 WAUCIOA Conversion** – BBVCC will be required to conform to the new legislative act regulating homeowners association. The amount of time and money need to achieve this regulatory requirement is at this point unknow, but the time factor looks to be sizable. This will likely require extra volunteer hours, staff, and legal counsel.

Final Thoughts:

The 2025 budget is built upon conservative assumptions with required increases in cost centers and reserve funds where necessary to achieve the goals that the BBVCC Board of Directors set in the fall of 2023. The Board was aware that their goals would not be immediately achieved but that incremental efforts would be made in each successive year and embedded in the budget they proposed. These goals were as follows:

- Birch Bay Village Community Club assets were to be maintained to the standard of the average home in the Village.
 - Grounds needed to be maintained to a higher standard.
 - Buildings and parking lots needed to be repaired, painted and upgraded to fit the needs of the community.
- Staff were to be compensated in line with market peers in wages and benefits.
- Accurate reserve studies needed to be constructed, funded and acted upon.
- Recreational and social activities needed to be supported and improved.
- Increased priority on improved safety and security infrastructure.
- Emphasis on correcting drainage issues and repairing roads.
- Improved levels of member services.
- Improved communications with members and other stakeholders.
- Begin building a community comprehensive plan.

These are not the ambitions of an unrealistic, out of control, out of touch board of directors. This is a list of responsibilities directly out of the Birch Bay Village Articles of Incorporation that describes the purpose for which the Community Club was formed, and each board member serves.

Why do we need to increase the dues and why now?

It is easy for members in an HOA to blame those who have the unfortunate responsibility of raising the dues on their fellow members for their own personal financial hardship, but I will remind those who take this simplistic view that had assessments been raised in the past as they should have been, this board would not have to be raising the dues to the extent that is needed now. This and the perpetual deferring of maintenance to later years are major factors driving the current dues increases. Below is a recent 10 year dues history to illustrate this point:

Year	Due/Yr	%
2008	1,200	0.00%
2009	1,200	0.00%
2010	1,200	0.00%
2011	1,200	0.00%
2012	1,200	0.00%
2013	1,260	5.00%
2014	1,296	2.86%
2015	1,320	1.85%
2016	1,344	1.82%
2017	1,368	1.79%
2018	1,392	1.75%

These were years where the docks were at the end of their useful lives and marina net income could have been directed to reserves for their eventual replacement, but instead were used to keep the dues as low as possible. This is not to disparage previous boards or managers. They were doing what they thought was in the best interest of the members at the time. Hindsight is 20/20 and many HOAs are finding themselves in the same financial position as BBVCC.

In closing, it is the mission of the board of directors of any community association to ensure that reserve funds are adequately maintained for the long-term financial health of the community and that services required by the governing documents are delivered in a timely and efficiently manner to the membership. The proposed budget is designed to achieve these goals and those set in 2023 Board of Directors strategic planning meeting.

David Franklin,
BBVCC, General Manager

Appendix 3: How the Law Affects BBVCC

While this may not seem different than in years past, the Washington law passed in 2018 (RCW 64.90) has raised many practical issues with how budgets are adopted and what, specifically, homeowners can “reject” and what happens if they do. Below is a summary of our findings:

What do homeowners get to vote on? Homeowners are voting on the assessment level and the budget represents how those assessments are allocated to each category.

How is the budget adopted or rejected? As per RCW 64.90.525, the majority of eligible owners (those in good standing) must vote to reject the board adopted budget, otherwise the budget passes. Currently, with approximately 1,105 members in good standing out of 1,129, there would need to be 554 $((1,105/2) + 1)$ member votes against the budget to reject.

What about the non-dues fees? The Board has the autonomy to set fees for services and amenities. These are taken into consideration when putting together the budget and determining how much is needed from assessments, but these fees are not voted on by the homeowners. For example, if the community rejects the assessment level and assessment budget, then the Board may have to increase user fees to make up the difference in lost revenue.

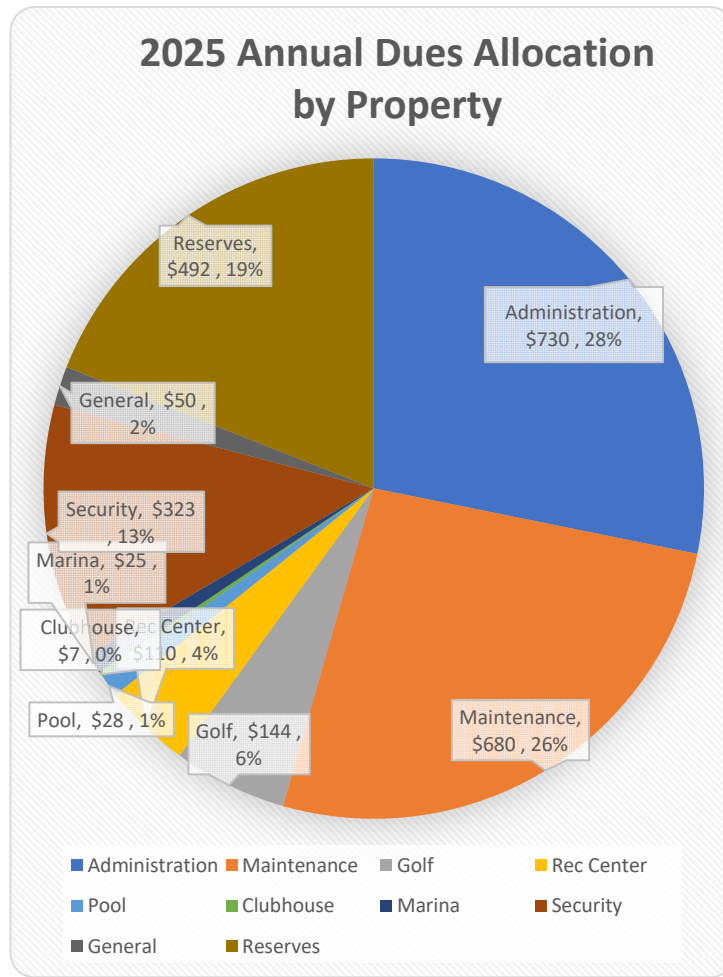
What happens if the budget is not approved? If enough owners vote to reject the budget, the assessments remain the same and the prior year budget total. That said, since the costs are higher and specific financial needs are different than they were the year before, the Board still has the authority to reallocate or eliminate budgeted line items within an adopted budget and raise user fees to ensure enough income is provided to meet the needs of the association. The Board will vote on the 2025 fee schedule at the Board of Directors Meeting on November 21st, 2024 and may be revised dependent on the outcome of the November 1st meeting.

Appendix 4: 2025 BBVCC Budget in Detail

1. 2025 Budget Summary
2. Budget Graph and Annual Dues
3. Administration Budget
4. Maintenance Budget
5. Marina Budget
6. Golf Budget
7. Security Budget
8. Rec Center/Pro Shop Budget
9. Pool Budget
10. Clubhouse Budget
11. General Expense Budget
12. 5-Year Budget Projections

Appendix 4: 2025 BBVCC Budget in Detail

	2024	2024	2025		
	Budget	Projection	Proposed Budget	Variance	
Income					
Annual Dues	\$ 2,438,285	\$ 2,438,285	\$ 2,923,117	\$ 484,832	19.9%
Dock Assessment				\$ -	
Carry over from prior year			\$ 99,520	\$ 99,520	
Cost Center Income					
Administration	\$ 75,700	\$ 94,993	\$ 109,450	\$ 33,750	44.6%
Maintenance	\$ 15,700	\$ 1,776	\$ 750	\$ (14,950)	-95.2%
Golf	\$ 115,204	\$ 125,471	\$ 156,842	\$ 41,637	36.1%
Recreation Center	\$ 43,000	\$ 34,320	\$ 44,600	\$ 1,600	3.7%
Pool	\$ 16,300	\$ 16,470	\$ 16,000	\$ (300)	-1.8%
Marina	\$ 576,756	\$ 491,768	\$ 652,658	\$ 75,902	13.2%
Security	\$ -			\$ -	
Clubhouse	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
General	\$ 8,300	\$ 39,925	\$ 25,500	\$ 17,200	207.2%
Total Cost Center Income	\$ 853,960	\$ 807,723	\$ 1,008,800	\$ 154,840	18.1%
				\$ -	
Total Income	\$ 3,292,245	\$ 3,246,008	\$ 4,031,436	\$ 739,191	22.5%
Cost Center Expenses					
Administration	\$ 790,997	\$ 689,280	\$ 933,221	\$ 142,224	18.0%
Maintenance	\$ 585,411	\$ 542,618	\$ 768,254	\$ 182,843	31.2%
Golf	\$ 285,425	\$ 285,559	\$ 319,528	\$ 34,103	11.9%
Recreation Center	\$ 166,638	\$ 159,008	\$ 169,083	\$ 2,445	1.5%
Pool	\$ 39,539	\$ 55,310	\$ 47,289	\$ 7,750	19.6%
Marina	\$ 151,520	\$ 109,797	\$ 132,658	\$ (18,862)	-12.4%
Security	\$ 323,194	\$ 323,392	\$ 364,956	\$ 41,762	12.9%
Clubhouse	\$ 11,350	\$ 16,659	\$ 11,450	\$ 100	0.9%
General	\$ 60,500	\$ 104,895	\$ 81,700	\$ 21,200	35.0%
Total Cost Center Expense	\$ 2,414,575	\$ 2,286,517	\$ 2,828,139	\$ 413,565	17.1%
Community Plan			\$ 45,000	\$ 45,000	
Reserve Contributions				\$ -	
General	\$ 147,541	\$ 147,541	\$ 331,913	\$ 184,372	125.0%
Roads	\$ 287,194	\$ 287,194	\$ 278,184	\$ (9,010)	-3.1%
Marina (net revenue)	\$ 425,236	\$ 425,236	\$ 548,200	\$ 122,964	28.9%
Total Reserves	\$ 859,970	\$ 859,970	\$ 1,158,297	\$ 298,327	34.7%
				\$ -	
Total Expenses	\$ 3,274,545	\$ 3,146,488	\$ 4,031,436	\$ 756,892	23.1%
				\$ -	
NET	\$ 17,700	\$ 99,520	\$ (0)	\$ (17,700)	-100.0%



2025 Allocation of Annual Assessment		Per lot	Per month
Administration	\$ 823,771	\$ 730	\$ 61
Maintenance	\$ 767,504	\$ 680	\$ 57
Golf	\$ 162,686	\$ 144	\$ 12
Rec Center	\$ 124,483	\$ 110	\$ 9
Pool	\$ 31,289	\$ 28	\$ 2
Clubhouse	\$ 8,450	\$ 7	\$ 1
Marina	\$ 28,200	\$ 25	\$ 2
Security	\$ 364,956	\$ 323	\$ 27
General	\$ 56,200	\$ 50	\$ 4
Reserves	\$ 555,577	\$ 492	\$ 41
	\$ 2,923,117	\$ 2,589	
Operating Assessment	\$ 2,339,340	2025 Dues	2024 Dues
Total Due by January 1		\$2,589	\$2,160
Month		\$216	\$180

Administration							
Income							
	2022	2023	2024	2024	2025 Proposed	Budget	
Account	Actual	Actual	Budget	Projected	Budget	Variance	Notes
4100-010 Partial Payment Fee	\$ 5,350	\$ 13,663	7,000	9,595	10,000	3,000	More sign up for Autopay
4105-010 Credit Card Fees				0		0	
4110-010 NSF checks and charges	\$ 810	\$ 1,120		520	500	500	
4120-010 Interest Charges	\$ 2,936	\$ 4,158	2,500	4,054	4,000	1,500	
4121-010 Late Fees	\$ 12,049	\$ 20,961	10,000	13,735	12,000	2,000	
4130-010 Lien Fees	\$ (26)	\$ 1,000		0	2,000	2,000	Fee to cover expense GL below (5146)
4131-010 Legal/Collections Fees	\$ -			0	11,250	11,250	Past due collections
4140-010 Vehicle Registration	\$ 100			0		0	Bar codes are \$6/ea. 50/mo. Should we charge?
4150-010 Property Sales Transfers	\$ 28,203	\$ 33,400	30,000	28,200	30,000	0	
4151-010 Property Rental Transfers	\$ 8,400	\$ 6,000	7,500	8,700	8,000	500	
4215-010 ACC Fees	\$ 22,950	\$ 12,250	12,000	22,300	20,000	8,000	
4220-010 ACC Retained Deposits				0		0	
4255-010 Fines - All	\$ 9,950	\$ 9,900	5,000	5,025	9,000	4,000	Speed enforcement
4750-010 Bulletin Ad	\$ 1,900	\$ 1,948	1,500	1,787	1,800	300	
4751-010 Miscellaneous Income	\$ 60	\$ 105		37		0	
4752-010 Notary Fees	\$ 20	\$ 120	200	60	100	(100)	
4753-010 Rebates & Discounts	\$ 746	\$ 886	0	979	800	800	
4799-010 Reimbursed Expenses	\$ 50	\$ -		0		0	
Total	\$ 93,498	\$ 105,511	75,700	94,993	109,450	33,750	
Expense							
	2022	2023	2024	2024	2025 Proposed	Budget	
Account	Actual	Actual	Budget	Projected	Budget	Variance	Notes
TOTAL LABOR EXPENSE	\$ 276,145	\$ 298,209	519,428	431,257	624,682	105,254	Includes Assistant to GM and CPI adjust
5030-010 Classes	\$ 3,565	\$ 913	3,000	3,000	3,000	0	
5110-010 Audit Expense	\$ 15,950	\$ 21,500	22,000	22,000	22,660	660	
5111-010 Payroll Processing	\$ 4,895	\$ 5,823	7,420	6,615	6,814	(606)	\$220/pay period x 26, time & attendance \$100/mon, Year End docs \$500
5115-010 Credit Card Service Fees	\$ -			0		0	
5116-010 Bank Service Charges	\$ 318	\$ 189	100	206	180	80	Charges for returned payments/stop payments
5120-010 Vehicle License	\$ 70	\$ 223	230	180	180	(50)	Office vehicle (maintenance moved to -020)
5121-010 Permits	\$ 140	\$ 60	100	140	150	50	Notary plus annual report
5122-010 Dues & Memberships	\$ 1,409	\$ 528	2,400	2,460	2,500	100	CAI, PCC Harbormasters, CMIA, WALPA, PCMA
5130-010 Insurance		\$ 105,517	121,000	126,263	127,655	6,655	Renewal from Acrisure
5140-010 Legal	\$ 32,764	\$ 12,134	20,000	15,010	20,000	0	Begin conversion to 64.90 WAUCIOA Expenses related to collections, assume file against larger liens in 2024
5145-010 Legal - Collections	\$ 8,000	\$ -	20,000	0	20,000	0	
5146-010 Lien Expenses	\$ 150	\$ 1,431	1,500	0	2,000	500	Lien filing/lien release expense = \$500
5150-010 Outside Contracts	\$ 9,552	\$ 2,024	3,000	21,105	30,000	27,000	Bookkeeping added in 2024 / 2025
5151-010 Computer Support - Contract	\$ 5,255	\$ 5,902	6,100	12,402	18,000	11,900	NW Tech \$1250/mo
5152-010 Computer Support - Services	\$ 2,548	\$ 3,746	3,000	3,000	3,000	0	
5153-010 Software Subscriptions	\$ 18,421	\$ 18,308	18,500	19,144	20,000	1,500	Office 365, Graphic Design, TOPS, Avid exchange, Adobe, firewall
5160-010 Meetings	\$ 2,932	\$ 3,178	2,000	1,813	2,500	500	Meeting expenses - Annual, Volunteer, New Owner, Staff, Zoom
5170-010 Supplies - Admin	\$ 8,015	\$ 6,430	7,200	7,823	8,000	800	
5179-010 Copier Lease	\$ 3,199	\$ 1,726	3,199	3,199	3,200	1	Lease of \$266.57/mon - Lease term 5/6/20- 5/6/25
5178-010 Inhouse Printing	\$ 2,400	\$ 3,270	2,400	2,400	3,200	800	Copier usage costs - average \$200/mon+ComPlan
5180-010 Outside Printing	\$ 3,487	\$ 11,173	14,000	499	1,000	(13,000)	Annual meeting mailers x 2, billing Postage Meter (\$94.48/qtr) + annual meetings x 2, billing+ComPlan
5181-010 Postage	\$ 5,682	\$ 5,825	6,000	2,249	5,000	(1,000)	Website hosting, e-newsletters, calendars, etc (2022 included training portal setup)
5184-010 Web Site Expense	\$ 5,188	\$ 1,399	1,500	824	1,500	0	
5191-010 Telephone	\$ 2,283	\$ 2,295	2,300	2,786	2,900	600	\$147.12/mon Ring Central, \$38.75/mon Verizon
5192-010 Power & Electric	\$ 1,012	\$ 883	1,000	1,124	1,200	200	Office/restrooms
5193-010 Water & Sewer	\$ 571	\$ 1,190	420	474	600	180	This is also C&D dock, the office has no water. Just the restroom, have been an even split, should only be \$35/ month for the office
5194-010 Internet	\$ 955	\$ 1,920	2,000	3,307	3,300	1,300	274.87*12
5211-010 Fuel - Admin		\$ 1,537	1,200	0	0	(1,200)	fuel for ford escape/ selling no need
Total	\$ 414,906	\$ 517,329	790,997	689,280	933,221	142,224	
Net Income	\$ (321,408)	\$ (411,819)	(715,297)	(594,287)	(823,771)	(108,474)	-33.75%

Maintenance							
Income	2022	2023	2024	2024	2025 Proposed	Budget	
Account	Actual	Actual	Budget	Projected	Budget	Variance	Notes
4710-020 Lot Maintenance	32,100			1,003	0	0	No longer providing this service
4720-020 Mailbox Program	100	300	200	247	250	50	
4730-020 Work Order Income	1,609	480	500	526	500	0	
4740-020 Maintenance Labor / materials	256	15,434	15,000	0		-15,000	No available time to contribute to reserve maintenance
Income Total	34,065	16,214	15,700	1,776	750	-14,950	
Expense							
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	2025 Proposed Budget	Budget Variance	Notes
TOTAL LABOR EXPENSE	242,475	237,321	354,961	302,962	500,598	145,637	Increase staffing 1.25FTE
5255-020 Maintenance - Outside Contracts	4,587	4,933	6,000	4,267	26,000	20,000	2nd-call snow removal. Other outsourcing
5680-020 Offleash Area	0		200	200		-200	cut keys as needed
5291-020 Telephone	2,557	2,791	3,200	2,943	1,920	-1,280	Comcast cancelled., 108.75/mon Verizon, 36.78/mon ring central ,
5250-020 Janitorial	520			0		0	Combine with supplies
5860-020 Repairs - Roads & Drainage	59,940	18,113	14,000	14,198	30,000	16,000	Crack seal, cleanout catch basins (1/2 each)
5280-020 Tools	743	2,853	3,500	3,500	3,500	0	2024 - budget 3,500 per bobby
6020-020 Lakes Management	16,216	39,626	39,000	39,000	49,000	10,000	\$40k for chemicals (algaecide), \$3k for consulting, \$1k Aeration maint., \$3k misc mgmt, \$2K H2O test
5120-020 Vehicle License - maintenance	451	861	800	800	800	0	
5121-020 Permits - Maintenance	211	45	250	250	250	0	
5210-020 Gasoline	5,986	6,348	7,500	6,152	6,500	-1,000	
5260-020 Repairs	10,218	6,024	10,000	10,295	26,000	16,000	Add \$16K office and Rec Center
5263-020 Repairs - Vehicles	3,020	57	5,000	5,000	3,500	-1,500	New dump and in Dodge 2024. Less repair
5265-020 Facilities Maintenance		6,189		7,171			Distributed to appropriate cost centers
5270-020 Supplies	11,350	18,507	16,000	16,285	16,285	285	
5292-020 Power / Electric	5,317	5,353	6,000	6,058	6,000	0	
5293-020 Water/Sewer	1,258	1,154	7,000	7,000	1,400	-5,600	Less \$5k drip irrigation in 2025
5295-020 Garbage	11,561	13,745	13,000	15,096	16,000	3,000	
5620-020 Landscaping	10,211	8,271	30,000	30,000	40,000	10,000	40K Emily & B&G request
5670-020 Parks Supplies		2,045		1,529	1,000		Dog Poop Bags?? \$3K alone.
5699-020 Improvements - Parks	0	10,158	20,000	20,028	10,000	-10,000	Shade Canopy/Pickleball improvements
5810-020 Ditching & Spraying	0	0	1,000	0	0	-1,000	Weed wacking instead
5861-020 Culvert Repair				630	0		None in operating. All in reserve
5870-020 Supplies - Roads		19,597	20,000	20,000	20,000	0	Graveling road edges after new pavement 2024. Crack seal material, gravel, posts, etc 2025
6010-020 Wildlife Control - Lakes	0	0	1,000	1,000		-1,000	Document Revision for 2023 did not happen
6060-020 Lakes Repairs	132	0		0	1,000	1,000	
6092-020 Power/Electric - Lakes	5,137	8,079	7,000	8,254	8,501	1,501	
Department Request			20,000	20,000		-20,000	Moved to Outside Contract
Total	391,891	412,070	585,411	542,618	768,254	182,843	
Net Income	-357,826	-395,856	-569,711	-540,843	-767,504	-197,793	

Marina							
Income	2022	2023	2024	2024	2025 Proposed	Budget	
Account	Actual	Actual	Budget	Projected	Budget	Variance	Notes
4302-050 Marina - Annual Moorage	236,591	305,692	366,000	341,900	428,881	62,881	25% increase. MC suggested 15%.
4303-050 Marina - Monthly Moorage	7,065	6,180	8,400	10,128	12,154	3,754	20% increase. MC suggested 15%.
4304-050 Marina - Guest Moorage	705	855	500	1,028	600	100	\$1/ft in 2025
4310-050 Marina - Trailer Storage Fee	12,980	24,240	31,968	25,979	32,734	766	Incr 26%
4320-050 Marina - Marina Fuel	104,442	71,692	90,000	43,528	99,750	9,750	\$5.17 x 16,000 gal. Markup = 1.20/gallon
4325-050 Marina Fuel Access	3,020	2,740	2,800	2,600	3,250	450	
4326-050 Fuel Card Setup	890	600	500	550	550	50	New users from \$50 to \$55
4330-050 Marina - Dock Power & Electric	27,062	23,014	26,000	16,339	18,790	(7,210)	.15 kwt to .175kwt
4331-050 Marina - Dry Dock Storage	120	4,200	3,800	4,000	4,200	400	billed annual w/ power, reclassified 3k 7/1/23 patrick to review for accuracy, seems low, 10% increase in 2024, 15% in 2025
4340-050 Marina - Marina Usage Fee	46,775	40,143	45,788	44,825	51,549	5,761	reservations amounting to 360.00 as of 8/11/23
4350-050 Marina - Guest Launch	930	685	500	716	1	(499)	
4365-050 Marina Misc Income	0	57		0			
4360-050 Kayak Storage Fee	535	365	500	175	200	(300)	need to audit storage & enforce compliance
Private Dock Owner Contribution to Tract C				0		0	
Total	441,116	480,463	576,756	491,768	652,658	75,902	
Expense							
Account	2022	2023	2024	2024	Proposed	Budget	
Account	Actual	Actual	budget	Projected	Budget	Variance	Notes
TOTAL LABOR EXPENSE		45,065		201		0	Admin Payroll
5710-050 Fuel	88,506	67,344	67,500	33,954	69,825	2,325	75% of revenue
5121-050 Fuel Tank Permit/Test	230	237	5,500	5,500	3,000	(2,500)	Annual testing/permits
5756-050 Access Control & Surveillance	23,653	983	1,000	1,358	1,200		Brivo / Camera/Wi-Fi
5760-050 Repairs	6,886	9,981	15,000	17,119	15,000	0	ramps, railings, piling sleeving
5770-050 Supplies	11,151	3,731	15,000	15,000	5,000	(10,000)	
5791-050 Telephone	5,206	1,012	1,020	1,089	1,100	80	\$85/mon emergency phones
5792-050 Power / Electric	6,632	6,361	6,000	5,216	6,000	0	
5793-050 Water/Sewer	3,982	2,782	5,000	3,149	4,000	(1,000)	
5795-050 Outside Contracts	23,286	9,372	7,500	7,500	1,500	(6,000)	engineering, power washing
5797-050 Power & Electric - Docks	17,908	18,734	21,000	18,212	20,033	(967)	
5796-050 Remote metering		1,125	7,000	1,500	6,000	(1,000)	Annual cost for remote metering
5799-050 Improvements				0		0	
Total Expense	187,441	166,728	151,520	109,797	132,658	(19,062)	Document Revision for 2023 did not happen
Net Income	253,675	313,735	425,236	381,970	520,000	94,764	

Golf								
Income								
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	2025 Proposed Budget	Budget Variance	Notes	
4405-040 Golf - Greens Fees	\$ 45,129	\$ 50,353	\$ 49,279	\$ 55,342	\$ 58,109	\$ 8,830	5% increase	
4420-040 Golf - Annual Passes	\$ 47,574	\$ 42,968	\$ 46,225	\$ 51,321	\$ 53,887	\$ 7,662	5% increase	
4425-040 Golf - Sponsored Golf Pass	\$ 3,474	\$ 3,867	\$ 4,000	\$ 1,386	\$ 1,455	\$ (2,545)	5% increase	
4430-040 Golf - Cart Fees	\$ 7,570	\$ 7,282	\$ 8,000	\$ 8,649	\$ 9,513	\$ 1,513	10% increase	
4431-040 Golf - Cart Rentals	\$ 4,733	\$ 5,139	\$ 4,000	\$ 5,820	\$ 6,402	\$ 2,402	10% increase	
4433-040 Golf Camp	\$ 2,020	\$ 3,180	\$ 3,200	\$ 2,375	\$ 2,375	\$ (825)		
4432-040 Golf - Other Rentals	\$ 660	\$ 730	\$ 500	\$ 579	\$ 25,100	\$ 24,600	Add new HOA membership at \$980	
Total	\$ 111,161	\$ 113,519	\$ 115,204	\$ 125,471	\$ 156,842	\$ 41,637		
Expense								
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	Proposed Budget	Budget Variance	Notes	
TOTAL LABOR EXPENSE	\$ 146,323	\$ 144,714	\$ 148,665	\$ 154,766	\$ 174,253	\$ 25,588	Golf Labor - not include marshalls	
5516-040 Tax Related Expenses	\$ 426	\$ 383	\$ 500	\$ 819	\$ 750	\$ 250		
5115 - 040 Credit Card Fees	\$ -	\$ 1,854	\$ 2,307	\$ 1,132	\$ 1,500	\$ (807)	.02% of sales, assume 7.5% increase in CC revenue	
5550-040 Outside Contract	\$ -	\$ 119	\$ 138	\$ -	\$ 10,200	\$ 10,062	Backflow Test,\$10K Kwann Irrigation study	
5555-040 Portable Restroom	\$ 643	\$ 688	\$ 840	\$ 749	\$ 700	\$ (140)		
5556-040 Access Control & Surveillance	\$ 250	\$ 246	\$ 275	\$ 255	\$ 275	\$ -	Brivo Hosting	
5560-040 Repairs	\$ 15,713	\$ 8,648	\$ 20,000	\$ 20,000	\$ 20,000	\$ -		
5560-045 Cart Repairs	\$ 741	\$ 3,376	\$ 3,000	\$ 3,000	\$ 500	\$ (2,500)	new carts in 2025	
5570-040 Supplies	\$ 24,877	\$ 31,359	\$ 30,000	\$ 30,000	\$ 31,000	\$ 1,000		
5580-040 Golf - fuel	\$ 6,987	\$ 5,451	\$ 6,500	\$ 6,500	\$ 7,000	\$ 500	97.68 / month (ring central & verizon)	
5591-040 Telephone	\$ 1,145	\$ 1,081	\$ 1,200	\$ 1,198	\$ 1,250	\$ 50		
5593-040 Water/Sewer	\$ 43,069	\$ 48,263	\$ 48,000	\$ 43,061	\$ 48,000	\$ -		
5577-040 Tee System	\$ 3,708	\$ 3,557	\$ 4,000	\$ 4,078	\$ 4,100	\$ 100	325.80/month	
5599-040 Improvements	\$ -	\$ 9,738	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	New flooring, shed, paint and/or edging equipment	
Total	\$ 243,881	\$ 259,476	\$ 285,425	\$ 285,559	\$ 319,528	\$ 34,103		
Net Income	\$ (132,721)	\$ (145,957)	\$ (170,220)	\$ (160,088)	\$ (162,686)	\$ 7,534		

Security							Notes
Expense	2022	2023	2024	2024	2025	Budget	
Account	Actual	Actual	Budget	Projected	Proposed Budget	Variance	
5950-060 Outside Contract/Total Labor	424,800	345,863	305,000	303,072	329,136	24,136	Prime Contact increase CPI UW Seattle.
5960-060 Repairs	669	5,744	2,000	3,134	7,000		\$5K Lower gate modification
5980-060 Security Vehicle Expense	1,191	1,921	2,000	1,712	3,500		
5970-060 Supplies	3,752	1,610	1,200	3,373	1,300	100	
5980-060 Security - fuel	3,177	1,418	2,400	883	1,200	-1,200	
5991-060 Telephone & WiFi	1,827	1,738	2,580	1,782	3,000	420	switch to cable
5992-060 Power / Electric	1,584	1,939	1,500	2,183	2,100	600	
5994-060 Online Services (Gate & Camera Software)	5,223	5,660	5,760	7,090	17,520		gatekey \$390/mo, speed signs \$350/mo, speed camera \$220/mo, cameras \$500/mo
5993-060 Water/Sewer	118	146	754	163	200	-554	
Total	442,342	366,039	323,194	323,392	364,956	23,502	
Net Income	-442,342	-366,039	-323,194	-323,392	-364,956		

Rec Center/Pro Shop							
Income					2025	Budget	
Account	2022	2023	2024	2024	Proposed	Variance	Notes
	Actual	Actual	Budget	Projected	Budget		
4451-045 Snack Income (non-tax)	6,903	7,190	8,000	6,559	7,250	(750)	projections based on 2024
4452-045 Food Income	24,133	21,216	25,000	17,707	25,000	0	
4453-045 Beer/Wine Income	7,823	7,167	8,000	7,854	8,250	250	
4454-045 Merchandise	2,442	1,945	2,000	2,200	4,000	2,000	
4455-045 Other Income	597	46	0	0	100	100	
4456-045 Sale of Equipment	0		0	0		0	
Total Food/Beverage/Merchandise	41,899	37,564	43,000	34,320	44,600	1,600	
Income							
Expense					Proposed		
Account	2022	2023	2024	2024	Budget		
	Actual	Actual	Budget	Projected	Budget		
LABOR	121,920	123,732	147,388	131,796	136,533	(10,855)	Dependent on level of customer/food service expectations
5115-045 Credit Card Service Fees	3,170	980	1,000	1,075	1,100	100	.02 of sales (golf split out) Beer/Wine/Health Department (Liquor license \$305 in August last year, Kitchen HD \$871 in May plus Food worker cards)
5121-045 Permits/Licenses	1,171	1,156	1,500	1,196	1,200	(300)	
5560-045 Repairs	294	223	500	0	500	0	
5570-045 Supplies	1,054	1,723	1,000	1,169	3,500	2,500	\$2K Golf Com SWAG
5577-045 Software & Online Service:	109	346	0	0	0	0	
5591-045 Telephone	4,468	4,951	4,800	5,715	6,000	1,200	388.37/mon - Includes cable and internet for clubhouse
5592-040 Power / Electric	3,344	3,694	3,800	3,532	3,500	(300)	Increase for winter months (building not insulated)
5593-045 Water/Sewer	579	680	700	789	800	100	
5594-040 Garbage	3,047	525	750	0		(750)	150/mon
6110-045 Cost of Goods Sold	16,699	14,548	0	12,832	14,000	14,000	
6111-045 Disposable Goods	1,094	964	1,200	770	1,200	0	
6150-045 Outside Contracts							
6175-045 Small Equipment	1,369	1,930	1,500	134	750	(750)	
6180-045 Activity Expense	609			0		0	
6175-045 Improvements	1,451		2,500	0		(2,500)	See Reserve Study
Total	160,377	155,452	166,638	159,008	169,083	2,445	
Net Income	(118,479)	(117,888)	(123,638)	(124,687)	(124,483)	(845)	

Pool							
Income							
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	2025 Proposed Budget	Budget Variance	Notes
4510-030 Pool - Annual Pass	16,440	16,618	16,000	16,460	16,000	0	Pass remains at \$50
4511-030 Pool - Weekly Pool Pass	160	430	300	10		(300)	
4520-030 Pool - Swimming Lessons	1,250	0		0		0	
Total	17,850	17,048	16,300	16,470	16,000	(300)	
Expense							
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	Proposed Budget	Budget Variance	Notes
TOTAL LABOR EXPENSE	38,950	35,242	16,014	27,094	23,539	7,525	Required staffing to avoid a health dept code violation.
5121-030 Permits	880	850	875	850	900	25	Annual pool permit with Health Department
5460-030 Routine Repairs	1,158	1,010	1,200	6,705	1,300	100	
5470-030 Supplies	8,003	11,153	10,000	10,657	11,000	1,000	Chemicals
5491-030 Telephone	1,431	432	450	405	450	0	
5492-030 Power / Electric	4,786	5,063	5,800	4,447	4,800	(1,000)	
5493-030 Water/Sewer	955	842	1,200	1,021	1,100	(100)	
5496-030 Natural Gas	3,477	3,131	3,500	3,829	3,900	400	No change
5456-030 Access Control	652	246	500	301	300	(200)	just fobs
5499-030 Improvements	0			0		0	
Total	60,292	57,968	39,539	55,310	47,289	7,750	
Net Income	(42,442)	(40,920)	(23,239)	(38,840)	(31,289)	8,050	34.64%

Clubhouse							
Income							
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	Proposed Budget	Budget Variance	Notes
4610-000 Clubhouse - Rental Income	3,000		3,000	3,000	3,000	0	
Total	3,000	0	3,000	3,000	3,000	0	
Expense							
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	Proposed Budget	Budget Variance	Notes
5121-000 Permits (Clubhouse)				\$ -		\$ -	
5350-000 Clubhouse - Outside Contract	682		800	488	500	(300)	Pest control @ \$165/4x
5356-000 Access Control & Surveillance	174		250	279	300		brivo 20.48/mo
5370-000 Clubhouse Supplies	1,192		3,000	3,092	3,000	0	
5391-000 Clubhouse Telephone & Internet	2,288		3,000	0	500	(2,500)	Zoom Room License 3% increase from prior year
5392-000 Power / Electric	1,935		2,500	2,381	2,500	0	budget
5393-000 Water/Sewer	632		1,800	1,447	1,500	(300)	includes irrigation
5399-000 Clubhouse Improvements	0			8,973	3,150	3,150	2024 ADA Door for 2024 & Acoustic panels 2025 New chairs (\$42x75),
Total	6,903	0	11,350	16,659	11,450	50	
Net Income	(3,903)	0	(8,350)	(13,659)	(8,450)	(50)	

General Expenses							
Income							
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	2025 Proposed Budget	Budget Variance	Notes
4780-000 Lower Gate Cart Access	475	75	300	375	250	(50)	
4782-000 Lower Gate Key Reclaimed Deposits		8,950		0			
4785-000 Pickleball-Sponsored	300	0	0	0		0	\$50 for non-residents to play with a sponsor @ 10 limit
4786-000 Amenity Fob Purchases	1,450	690	1,000	454	250		
4789-000 Offleash Area Fee	500	(25)	0	0			No Fee as of mid-2023
4810-000 Interest - Operating	4,052	16,977	7,000	39,096	25,000	18,000	Lower account balance & rate
4797-000 Real Estate Proceeds				0			
4999-000 Gain on Sale of Equipment	0		0	0		0	
Total	9,816	9,816	8,300	39,925	25,500	17,200	
Expense							
Account	2022 Actual	2023 Actual	2024 Budget	2024 Projected	2025 Proposed Budget	Budget Variance	Notes
5182-000 Property Taxes	7,660	7,820	8,000	11,086	11,200	3,200	
5183-000 Income Taxes	14,000	52,000	10,000	45,865	45,000	35,000	
5185 - 000 - Fob Expense	0	1,239	0	598	500		
6500-000 Contingency	0	7,645	40,000	40,000	20,000	(20,000)	20K reduction
6519-000 Real Estate Expenses	0			0			
6520-000 Bad Debt	0	0	2,500	7,346	5,000	2,500	Can we lien a fine?
Total	21,660	68,704	60,500	104,895	81,700	20,700	
Net Income	(11,844)	(58,888)	(52,200)	(64,970)	(56,200)	(3,500)	

Appendix 4: 2025 BBVCC Budget in Detail

BBVCC	5 Year Budget Forecast					
	2024 Budget	Proposed Budget	2026	2027	2028	2029
Income						
Annual Dues	2,438,285	2,923,117	3,382,838	3,787,210	4,109,911	4,477,869
Carry over from prior year		99,520				
Cost Center Income						
Administration	75,700	109,450	114,922.5	118,945	122,513	126,189
Maintenance	15,700	750	788	815	840	865
Golf	115,204	156,842	164,684	170,448	175,561	180,828
Recreation Center	43,000	44,600	46,830	48,469	49,923	51,421
Pool	16,300	16,000	16,800	17,388	17,910	18,447
Marina	576,756	652,658	783,190	939,827	1,127,793	1,353,352
Security	0	0	-	-	-	-
Clubhouse	3,000	3,000	3,150	3,260	3,358	3,459
General	8,300	25,500	26,775	27,712	28,543	29,400
Total Cost Center Income	853,960	1,008,800	1,157,138	1,326,864	1,526,441	1,763,959
<u>Total Income</u>	3,292,245	4,031,436	4,539,976	5,114,075	5,636,352	6,241,828
		0	12.6%	12.6%	10.2%	10.7%
Cost Center Expenses						
Administration	790,997	933,221	1,102,546	1,180,064	1,232,361	1,287,072
Maintenance	585,411	768,254	824,188	974,692	1,041,542	1,113,595
Golf	285,425	319,528	341,603	353,559	364,166	375,091
Recreation Center	166,638	169,083	177,538	183,751	189,264	194,942
Pool	39,539	47,289	50,477	53,521	55,681	57,933
Marina	151,520	132,658	159,272	191,166	229,491	275,946
Security	323,194	364,956	383,204	396,616	408,515	420,770
Clubhouse	11,350	11,450	12,023	12,443	12,817	13,201
General	60,500	81,700	104,785	107,052	109,064	111,136
Total Cost Center Expense	2,414,575	2,828,139	3,155,635	3,452,865	3,642,900	3,849,686
		0	11.6%	9.4%	5.5%	5.7%
Community Plan	0	45,000				
Reserve Contributions			20%	20%	20%	20%
General	147,541	331,913	398,296	477,955	573,546	688,255
Roads	287,194	278,184	333,821	400,585	480,702	576,842
Marina (net revenue)	425,236	548,200	652,225	782,670	939,204	1,127,045
Total Reserves	859,970	1,158,297	1,384,341	1,661,210	1,993,452	2,392,142
		0	19.5%	20.0%	20.0%	20.0%
<u>Total Expenses</u>	3,274,545	4,031,436	4,539,976	5,114,075	5,636,352	6,241,828