

**BBVCC**  
**FINANCE COMMITTEE Minutes**  
**REGULAR MEETING**  
**February 26, 2025 at 1:00PM**

<b>Committee Members Present</b>		
✓ Bev Franklin	✓ Dan Nedved	✓ Mary Santi
✓ Sue Garrigan	✓ Erin Ryan	
<b>Guest Members</b>		
<b>Staff Present</b>		
	David Franklin	Justine Brooks

- I. **CALL TO ORDER:** at 1:03 pm
  
- II. **WELCOME NEW MEMBER**  
Welcome Erin Ryan! Erin introduced herself to the committee.
  
- III. **OPEN FORUM:** No members present to speak.
  
- IV. **ADOPTION OF AGENDA**  
**Motion to:** approve agenda  
Motion By: Dan Nedved      Seconded By: Sue Garrigan      Approved unanimously
  
- V. **RATIFY MINUTES:** January 15, 2025  
Motion to: approve the January minutes  
Motion By: Mary Santi      Seconded By: Dan Nedved      Approved unanimously
  
- VI. **REVIEW THE BUDGET TASK LIST** (to understand timing)  
Bev discussed the importance of revising and improving the budget process timeline, suggesting that the committee should start planning earlier, ideally in May. She emphasized the need for transparency with the membership and the importance of reaching out to committees for input. Bev also suggested providing a format for committees to use when submitting their requests, which would help justify their requests and provide support for the budget process.  
  
David and Mary agreed to work on this format, with David noting that providing such resources earlier in the process could lead to more thoughtful contributions from committees.
  
- VII. **REVIEW OF RESERVE STUDIES**  
Bev leads a discussion on the reserve study and its impact on dues. She explains that the study, conducted by Pacific Crest, shows poor funding conditions for the general fund and marina, but excellent conditions for roads and drainage. Bev describes baseline funding as risky, while fully funded reserves might be excessive. Mary and David discussed industry standards for reserve funding, with David noting that 75% of

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fully funded is typically recommended, though many HOAs are only 30-40% funded. Sue points out discrepancies between the presented figures and the budget, which Bev attributes to possible early calculations before final changes were made.

**VIII. REVIEW OF 2025 BUDGET**

Bev and David discussed the budget for 2025, focusing on the income from annual dues and the contributions to the Marina reserves. David explained that the budget includes both operating and reserve contributions. The majority of the marina income is derived from moorage payments. They also discussed the ongoing special assessment for the dock replacement, which is still collecting funds faster than expected. Bev raised the question of whether all three funds (General, Marina, and Roads and Drainage) are needed or should consider a more combined fund. The discussion ended with the suggestion that the Marina income might outstrip its expenses in the future, potentially leading to a reduction in overall dues, albeit, in the short-term funding to marina is needed.

The committee discussed the tax implications of the Marina's income and how it might affect the general fund. They also discussed the potential for future surpluses and how they could be used to lower assessments for all members. The committee also discussed the challenges of maintaining the marina, including the need for regular dredging and bank stabilization. They considered the possibility of adjusting rates based on the length of the boat and the need for premium end ties. The committee also discussed the importance of occupancy rates in generating revenue for the marina.

David and Bev discussed the upcoming busy year for the Architectural Control Committee. Additional revenue may be created by the golf beta test of up to 50 memberships for golf, offered at \$980 each to neighboring HOAs. They also discussed the surplus of rounds at golf as well as moorage slips at the marina and the need to close this gap. David explained the process of determining cash flow needs and locking up funds for projects, and mentioned the recent increase in federal income tax due to increased interest income from special assessment funds. They also touched on the expenses related to food and alcohol sales at the Recreation Center, pool passes, and utility costs.

David and Bev discussed the challenges of recruiting staff for various positions, including maintenance and management roles, in Birch Bay Village. They highlighted the importance of these roles in providing services to members and maintaining the Village's infrastructure. Bev explained the breakdown of expenses, including maintenance, staffing, food, and utilities, and how these expenses contribute to the Village's net income. David emphasized the goal of maintaining a net income of zero, with any surplus going towards funding reserves. The discussion also touched on the outsourcing of certain services, such as security and some maintenance tasks.

Bev and David discussed the financial status of the community, including the expected net positive and the transfer of funds to reserves. They clarified that the net positive

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would be taxed, but reserve income would not. David explained the special IRS election allowing the carry-forward of member income. The committee also discussed the allocation of funds and the depiction of where the money is going. There was a discussion about the reserves, with David suggesting a separate assessment for operating dues and reserves. Bev ended the conversation by stating that the committee now has enough background information on the financial situation and the next steps would be determined.

**IX. DISCUSSION OF NEXT STEPS**

Bev proposed that the Finance Committee should start reviewing the monthly financials, asking questions, and making recommendations to the Board for approval. She suggested rotating the responsibility of reviewing bank statements and related reconciliations.

Sue agreed to take on this task for the next month, with Mary offering to assist her in the following month. David committed to entering the 2025 budget into Enumerate and requested help from Justine and Carrie. David also mentioned a reconciliation issue in January due to an automated email from the accounting software.

The committee agreed to meet on the last Wednesday of each month, with the next meeting scheduled for March 26th. Bev asked the GM to provide financials by March 12th, with questions consolidated and sent to her by March 18th.

Justine agreed to send out meeting invites for the 2025 dates with the Zoom link embedded.

**VIII. ADJOURNMENT:**

Motion to: Adjourn at 2:41 pm

Motion by: Sue Garrigon      Seconded by: Dan Nedved      Approved unanimously

**Action Items / Next Steps:**

- Next meeting Wednesday, March 26, 2025 at 1pm – meetings will be the last Wednesday of each month.
- January and February bank reconciliations to Sue
- David to get financials to committee by March 12<sup>th</sup>.
- Send questions on Financial Statements to Bev by March 18<sup>th</sup> – Bev to email 1 week before as a reminder.