

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

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

- I. **CALL TO ORDER:** at 1 pm by Bev Franklin
- II. **ADOPTION OF AGENDA**
 Motion by: Sue Garrigan Seconded by: Erin Ryan Unanimously Approved
- III. **OPEN FORUM: NA**
- IV. **RATIFY MINUTES:** February 26, 2025 with discussed changes.
 Motion by: Sue Garrigan Seconded by: Erin Ryan Unanimously Approved
- V. **Review of Bank Accounts and Recons**
 Sue reviewed the bank account reconciliations, noting that she could not reconcile January due to combined January – February financials. The Edward Jones and WEQU accounts balance correctly. However, Sue lacks bank statements for the Alliance Bank account to fully reconcile it. David to provide the missing bank statements and balance sheets for January and February separately for Sue to be able to reconcile correctly.
 Bev emphasizes the importance of ensuring CDs are spread across banks to meet FDIC insured requirements. The committee discusses investment policies and the need to balance short-term accessibility with longer-term investments. Bev requests Sue to inform the committee once she completes the reconciliation, so they can support the Board's acceptance of the financial numbers.
- VI. **Review of February Financials**
 The February financials were provided late, as we are working with an outsourced person to put them together which can be difficult. We are working on getting this process done earlier with someone in-house. Bev and David discussed some discrepancies with the budget and what was put into Enumerate. Bev discussed the creation of a subdues line for the carry forward and the community plan, which will be moved under contingencies under the admin budget.
 The Committee discussed a community plan and what entails. The community plan aims to develop a long-term strategy for Birch Bay Village, taking input from the community, staff, and board. The plan will include a survey to understand the community's needs and preferences. David explained the concept of a community plan, comparing it to a city's comprehensive plan, and emphasized its importance in guiding the community's future. He also mentioned the upcoming legislative changes that the community needs to be aware of.

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David discussed the budgeting process and the need for more legal counsel to handle document changes. He also mentioned issues with their accounting software, Enumerate, and plans to attend a conference to explore alternative software solutions. Bev highlighted the need for budgeting more for legal matters and the importance of reading through the PowerPoint presentation for enlightenment. The team agreed to address the variance notes and late fees, with the possibility of these numbers reverting. David also mentioned the need to investigate a software change, with updates to be provided to the Finance Committee.

David provides an update on property sales and marina finances. He notes that annual mortgage income has decreased due to vacancies, partly caused by price increases and payment policy changes. The Marina Committee is working on pricing strategies to fill vacant inside slips. Despite this, marina income has already surpassed last year's total. David also discusses challenges with trailer storage fees and marina usage fees, as well as upcoming meetings about permitting for marina construction and improvements. He emphasizes the need to find the right balance between generating necessary income for marina maintenance and keeping prices attractive for users. The golf course finances are reported to be in good shape. There are some variances in wages due to unfilled positions. David discusses various financial matters, including maintenance repairs, clubhouse improvements, and budget timing issues. He mentions that new chairs for the clubhouse arrived early and were paid for in February instead of March. The Committee discussed the new carpet installation, which David says is currently in progress. They also discuss power expenses, security costs, and lake management chemicals. There's a debate about whether to record the chemical purchase as a prepaid expense for 2025 or an expense for 2024, with Bev suggesting it should be recorded in 2024. David expresses frustration with the current accounting software, Enumerate, citing its limitations and high costs, including unexpected charges to members for auto-pay transactions.

The committee discussed the operating fund, general reserves, and road reserves, explaining that the Marina reserves are primarily funded by current year payments and long-term receivables from special assessments. It was mentioned that Bellingham Marine has not completed some punch list items, resulting in a retained amount of \$174,000. Bev further explained the intricacy of the drainage system and the committed funds for equity balance. Sue asked about the accrued vacation, which Bev clarified as a benefit that can be rolled over but must be paid out at the end of the year. David confirmed that the vacation accrual is included in the mandatory payouts. Bev also mentioned the importance of spending vacation time and the need for an update on aged receivables. David provided an update on the total accounts receivable, noting a 25% increase compared to the previous year, but also mentioning that the assessments had increased by 20%. He also mentioned that they had received commitments from higher-balance individuals and expected further payments. Bev asked about the March 1st billing cycle, which David confirmed was included in the current numbers.

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Motion to: approve the February Financials subject to the corrections regarding budget, reclassification and decimal correction

Motion By: Dan Nedved **Seconded by:** Suzie Garrigan **Unanimously Approved**

VII. Discussion of 2025 Reserve Study Update

Bev discussed the need for an updated 2025 reserve study, with David suggesting the committee could assist with income side analysis. Bev agreed to share the 5-year projections and a comparison of local marina costs with the committee.

VIII. Timeline Follow-up

David and Mary discuss the budget and timeline process for committees. They plan to provide budget templates to committees earlier this year, addressing issues from the previous year when committees didn't have enough time to review and justify their requests. The new process will include a form asking committees to explain the benefits and impacts of their proposed spending, as well as any revenue-generating options. David is working on creating spreadsheets with prior year actuals and current budget information for each committee, starting with the Marina Committee. Bev offered to help Mary create a simple template for committees to use in providing narrative justifications for their budget requests.

IX. Budget Template Follow-up

The Committee discusses the upcoming budget process and distribution of templates to other committees. David plans to send out budget templates to committees by April 1st. The group acknowledges that additional meetings may be necessary in June to review committee budget requests. They also discuss the golf committee's proposal to generate more revenue by allowing up to 50 non-members to use the club facilities, though only 25 were budgeted due to uncertainty. David reports that despite marketing efforts, interest has been low so far, with only about 2 people interested.

X. Open Discussion

Various discussions regarding revenue generation and cost centers were discussed.

Bev supported that the community plan would be crucial in guiding these decisions. David shared his experience at Snowater, emphasizing the importance of attracting new members and potential buyers.

VIII. ADJOURNMENT:

Motion to: Adjourn at 2:49 pm

Motion by: Mary Santi

Seconded by: Sue Garrigan

Unanimously

Approved