

## 2024 Finance Committee Report

The Finance Committee met Tuesday, June 25, 2024 at 4:15 pm. Attendees included chairperson Denise Knapp and committee members Don Henning, Megan Holcomb and Carol Farren. CCOA Treasurer Jen Doucet and Board Liaison Jody Juneau also attended.

Denise welcomed new committee members and gave an overview of the budgeting process. She asked for a member to serve as Secretary. Carol Farren volunteered. Denise asked for a member to be a co-chairperson. Megan Holcomb volunteered.

The committee reviewed first drafts of the Proposed 2025 Total Expense Budget and supporting documentation. Some line items were discussed and amended and additional changes may be made at the next meeting pending more information.

A second meeting will be held on Wednesday, July 10, 2024 at 4:15 pm.

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Denise Knapp called the second Finance Committee Meeting to order on Wednesday, July 10, 2024 at 4:30 pm. Committee members in attendance: Mark Smith, Megan Holcomb, Don Henning (via Zoom) and Carol Farren. Jody Juneau, Board Liaison, and owner Megan Gulley were also present.

Denise reviewed the Expense Detail from January through May of 2024. In order to create the Anticipated Expenses for the remainder of 2024, Denise extrapolated those figures to project expenses for the remaining seven months of the year. Using the Accounts Receivable Aging Summary, Denise projected anticipated prepaid dues through year end and explained how that will reduce our 2025 carry-over. Based on these reports, the estimated General Fund carry-over general fund is \$8,452, not including anticipated income of around \$30,000 from a foreclosure.

The committee reviewed the Proposed Funds Available Report which is based on our current income and anticipated carry-over accounts. The shortfall between Proposed Funds Available and the Proposed Budget was \$89,726. If the \$30,000 foreclosure money is counted, the shortfall would be \$59,726.

The committee reviewed the previous Proposed 2025 Budget and determined where the budget might be cut, thereby reducing the proposed budget amount from \$603,602 to \$573,602. Denise will present the committee's recommendations at the next board meeting.

The committee will meet again soon after that and Denise asked everyone to let her know when they are not available. The meeting was adjourned at 5:10 pm.

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Denise Knapp called the third meeting to order on July 29, 2024 at 4:10 pm. In attendance were Jody Juneau and Mark Smith along with Don Henning, Megan Holcomb and Carol Farren via Google Meet.

Don asked for more information on the Washington Street project: when will it need to be funded and how much money will we need? Denise said we have gotten some bids of around \$100k, but nothing has been decided yet. It will depend on whether our maintenance tech will do it, and whether we can get grants. Scott from CRWA will be here in August to present a long-term plan to us.

Denise reported there were challenges at the last board meeting re: the Membership Fee issue so we cannot finalize the budget yet.

We reviewed the 2023 Sewer Expenses Assessment document and had to adjust figures after Don noted an incorrect figure. Denise updated the figures and determined we would need \$669/unit in 2025 for this assessment. We discussed the ramifications of eliminating the \$50k Sewer Assessment Reserve (which is normally included to ensure we can make our loan payment which is due before all dues have been collected). After determining this is unlikely to be an issue in 2025, all agreed to eliminate that item, which reduced the sewer assessment to \$505/unit.

We reviewed the Water Expenses Assessment document. Some staff wages are now included in this assessment and because of upcoming wage increases, some wages needed to be increased. A 3% COLA was also applied and these changes resulted in an assessment of \$500/unit.

If a membership fee is approved, the board will need to decide which contingency fund(s) that income will go into, water or SBR.

Next meeting is scheduled for Tuesday, August 6 at 9:00 am.

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On August 6, 2024, Denise Knapp called the fourth meeting to order at 9:10 am at the Lodge. Jody Juneau, Mark Smith and Carol Farren attended in person. Don Henning, Megan Holcomb and Kristi Davis attended via Google Meet. The purpose of the meeting was to finalize the budget figures and calculate assessments.

Denise explained the “circle” that was created when calculating the new Membership Fee which is based on four months’ projected expenses. The Membership Fee proceeds will be allocated to the SBR and Water Contingency funds equally, but those funds were being counted as part of the expenses used in the calculation: expenses went up, so did the fee, then the expenses went up. Kristi suggested that once the fee was calculated, the anticipated income (10 sales at \$612 each for a total of \$6,120) should be subtracted from the contingency funds, which stopped the circular calculation. All agreed with this approach.

The new figures resulted in a zero balance budget of \$550,798. The 2025 proposed assessments are as follows:

HOA Dues	\$ 469
Water Assessment	496
Sewer Assessment	507
TOTAL	\$1,472

Mark Smith made a motion to present the Proposed 2025 Budget to the Board of Managers for approval prior to the upcoming board meeting scheduled for August 8, 2024. Carol Farren seconded. Motion passed.

Denise asked if the committee wanted to meet again to discuss updating the 2024 budget to allocate \$3,251 remaining from the sale of lot 210. Carol suggested we could do it now. Denise compared the 2024 Budget with the second quarter P&L and recommended adding \$2,000 to Professional Fees: Accounting. Discussed putting \$1,251 into the Grounds account to be used for a gate on the bridge, or to start upgrading the area behind the lodge, or deal with the Lodge's ongoing mouse infestation. Denise noted that a very small amount of money had been spent from the Bridge category, and Mark asked if that could be used for the gate instead. Jody verified with the Park Manager that it is unlikely more will be spent on the bridge before the end of the year and said the board may be discussing the gate at the next board meeting.

Denise will send the recommended adjustments to the 2024 Budget to the board for approval.

Megan asked how the Revive and Thrive Committee could request some of the \$3,000+ windfall to purchase equipment for the upstairs lodge. Denise said at this time we could not add a new line item for 2024, but suggested that the committee make a request to the board detailing what they plan to buy and ask for funding from this year's Maintenance:Equipment/Tools account.

There being no further discussion, Denise adjourned the meeting at 10:10 am.

Update: At the August 8, 2024 board meeting, the board approved an updated budget to include an increase in Maintenance Tech hours and related payroll taxes. This brought the total 2025 Proposed Expense Budget to \$566,814 and the 2025 Total Assessments to \$1508 annually. Proceeds of \$33,251.00 from the sale of lot #210 were distributed and the Board voted to put \$30,000.00 in the SBR Contingency Fund and the remainder into Grounds.

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The Budget Ratification Meeting was held on Saturday, August 31, 2024, prior to the General Membership Meeting. There was no veto from the membership and the budget was ratified by the board.

Respectfully submitted by Carol Farren, August 31, 2024