

Budget and Finance Committee Meeting Minutes
April 23, 2019

The Committee Meeting was called to order at 7:00 PM by Terry Zimmerly, Chairman. Those Trustees in attendance were Terry Zimmerly, Sharon Denson, Steve Watkins, Belle Baxter, and Dan Rawlinson. Others in attendance were Gwen Norris, Allan Riga and Barbara Greenberg.

Operating Expenses

Terry changed (upped) the payroll to \$305,680. Sharon said we shouldn't have just doubled it since we only had 6 weeks of lifeguards on the YTD. We are getting more Lifeguards this year than before. The Income line for the County charges is now (\$15,500) to match the percentage required of the assessments.

Terry said the marina is helping pay for the rest of the park. It was agreed that it should be creating its own reserve (for future marina work). Sharon said the marina and hall user fees should be separated, however not right now.

The Income line for the County's commission to collect the tax was upped (\$1,500) and is now (\$15,500) to match the percentage of 3% of the assessments.

Terry shows the Total for the Income (category) \$677,768 now.

Sharon wants a copy of the Budget created by herself to go to Terry for review before it gets published.

The Wages (expense items) is now \$305,680. Which changes the total to up to Capital Outlay to \$537,680. Terry said in essence that is what we collect and what we spend. Sharon said the difference is what we have for Capital Outlay/ or Reserves.

Capital Outlay

Terry said she moved everything in this year's Capital Outlay into Reserves and she does need to do that. Sharon agreed. Terry said she needs to change figures.

Sharon said we need to get the Budget in the Banner even though it is not required, the residents are accustomed to it in the Banner. Gwen thought it was required by a document. Later, after the meeting, Gwen admitted she was wrong.

Put in Reserves and should be in Capital Outlay –

Porta potties \$8,000

Fishing Pier \$21,000

Screen Room \$30,000

Terry said that those were put in Reserves but should be in Capital Outlay. Sharon said that if we are planning to do it within 20 years, it should be Capital Outlay. They will stay in Capital Outlay.

Sharon asked to have copies of Terry's lists.

Terry said she put the Air Conditioner (Heat strips \$10,000) were put in Reserves. Sharon said it is really for the Hall. Sharon said it was in last year's Capital Outlay, Resolution #1. She said it should stay where

it was (Capital Outlay) unless we are not going to do that project. She said we may want to do that before we do the ceiling. It was agreed to leave that in Capital Outlay. Gwen said in the Resolution #1 it said 'Add Heat to Air Conditioner'. Sharon said it will be in Capital Outlay because we don't know exactly how we are going to do this.

Terry asked if the extra (unused Capital Outlay from this year) for the Hall will be dissolved, \$180,000. Sharon said we already allocated that in Resolution (Hall Reserves, Resolution 2019-03 \$180,180.37) and a motion was made to spend that. She suggested leaving the Recreation Hall money in the Capital Outlay. She said if we are going to do it next year that money should be made available for that project. Terry put it together in Reserves and the Capital Outlay for the Hall. Sharon said we could move the \$73,000 over into the Reserves, and spend it out of the Reserve account. Terry said in Sharon's budget it was not there at all. Sharon said she did not put it in because she did not think that we would have that money anyway (\$73,000). Terry said the \$73,055.37 should be moved to Capital Outlay because she thinks we are going to need it. Sharon said that she does not think we will be able to do it. Gwen said she is striking the mention of the \$180,000. Sharon said that is in Reserves and already allocated.

Sharon added up numbers to \$178,055.37 for Total Capital Outlay.

Terry said now we need to go back on everything in Reserves because it will not 'work' now. Sharon said the Reserves 'forward' will be the best guess we are going to have right now and if we spend it right now it will obviously not be in the Budget.

Reserves

Terry listed the item 'coming forward'

1. Roof – Sharon said to keep it separate.
2. Hall
3. Wood shop - \$800 left
4. ADA – Sharon said this will be part of the Hall when Natalie gets if moved. \$15,000 was added to the Hall Renovation (Resolution 2019-01? Or Resolution 2019-03?), because 20% of what we do has got to being ADA compliant. Terry did not think it got moved. Sharon said Natalie may not have yet but the Resolution did.
5. Parking lot – Sharon said it should be left alone.
6. Air conditioner was left alone at \$250 – Sharon said if something happens we can do a Resolution and move some money.
7. Marina - \$1,127,652.65
8. And another for \$114.00. Terry said she has paper where it shows. Sharon said it was on Natalie's last Balance Sheet.

Sharon was looking for one more item. She said everything got consolidated but 5 things. She said we had \$84,000 for an Emergency Fund that is now a Reserve account; Legal Fees are not a Reserve account; Landscaping not a Reserve Account. She said these have already been done (removed by Resolution 2019-01).

Sharon said we can't put money in Reserves for the wood shop building. She said there should not be anything else (needed) for the wood shop. Gwen said 'if the termites are not active again'. Sharon said \$800 should be enough for termites. There was discussion on whether the building inspection included the wood shop. Terry said that the (Total) will be a lot lower than she had. She asked if these projects

are being added to Reserves. Sharon said she has the projects listed and will put money to balance. Terry said the AC Heat Strips will be in Capital Outlay.

The Resolutions of 2019-01 moved Deposits Marina (\$21,000.00) and Deposits Hall (\$1,800.00) to Reserves for the Hall (now \$180,180.37) - but we spent some of that. Pool Reserves were moved.

Terry said she took everything we had left in Capital Outlay and put it forward. She said if we use it at all we would pay for the railings as the lowest bid was \$9,500.

Sharon said we did put \$14,040 in for the Automatic gate to the beach. Terry said it is different on the spreadsheet (\$15,000?). Sharon confirmed that we need to match that Resolution exactly. Sharon said it will be a Capital Outlay now and we will have to adjust the figures.

Gwen asked why the Resolutions' updates were not in the (Natalie's) spread sheets. They were not moved yet. Sharon said that Natalie is doing a whole separate QuickBooks accounting and putting the 'stuff' there but she has not got it all moved over yet. She said when Natalie gets done the accounts (as in the proposed Budget) totals will match. Sharon said after the Budget vote we will give her the new info. Sharon said she will make sure they will match.

Terry said the things we need to add to Reserves. She said the total needs to be lowered by \$83,000.

1. Lighting for Basketball court put as \$13,500 – she did not see where two poles would be \$15,000
2. Lighting pool area - \$25,000
3. Screen room floor estimated \$10,000– Sharon said it should in in the Screen Room of \$40,000. Gwen said she had \$50,000 at the last meeting. Sharon said it was an estimate.
4. Basketball court resurface – \$20,000 - Half of the \$40,000 estimated 4-16-19.
5. Upgrade Pool baths for ADA- \$20,000. Estimated at \$40,000 by Jim Frost 4-16-19.
6. Screen room addition - \$24,000 – so there will need to be a Referendum. Terry said Jim will design the screen room replacement so we can add the other half (double it). Sharon said it will have to be done in another year. Terry said that is why she put it in Reserves. Terry said it was rented 80 times last year, more than anything. The capacity is 30 and needs more. Terry said we need to reduce the \$24,000 to balance.
7. Splash Park - \$1,000
8. Dog Park - \$1,000
9. Pickle ball court \$588 - Terry said \$588 made the sheet balance.

Earlier Sharon explained that if it is in Capital Outlay the moving of money will be a 'motion' not a Resolution. Sharon said that we will list the items as we have them, then address what we want to do.

Sharon said that we have 53 Surveys in with Splash Park – 29 (55%), Dog Park – 18 (34%), Pickle ball – 10 (19%). She said making the Splash Park a low priority is a not a good idea. Terry said she thinks when they find out what it costs, we will not get the votes. Gwen said we did not talk about the Splash Park at the BOT Meeting (4-16-19). Sharon said that 53 is not a lot of Surveys, but they are talking about priorities. Terry said when they vote for a Referendum it will not pass for a Splash Park. Sharon said it will pass if we have the money in Reserve just like we did the Marina and don't have to raise their assessment. Gwen said that is important. Belle asked about the dog park that she thought was dropped. Sharon said we did not decide that (drop the dog park). She said we talked about it but no decision. She said that just because we put it in Reserves does not mean that we have to use the money. She said it is

something that people are saying they would like to have. Terry said if we put a dog park in now we will have the whole south county here. Gwen agreed that they have a 'right' to that area (for two more years). Sharon said the Splash Park has to be within 50 feet of a bathroom. Gwen said we can 'fob' the Splash Park.

Terry said she will take \$53,000 from the figures above (Reserves) according to her calculations. She asked us to look at what we want to 'cut'. Sharon said the place to cut is the Hall Renovations \$73,000 and \$180,000 in Reserves totaling \$250,000. She said she did not think we need that much money and we are not getting to it this year. She offered to take money off the Hall Renovation to make it balance. Gwen said she did not feel comfortable that we have all of the items. Terry went through our list (from BOT Meeting 4-16-19). Terry said the Boat Ramp work will have to be totaled and taken out this year.

BOT Meeting 4/16/19 List

1. Lighting for basketball court
2. Railings is in this year's budget
3. Porta Potties \$8,000
4. Fishing Pier
5. Air conditioner (heat) \$10,000
6. Screen Room
7. Recreation Hall
8. Boat Ramp – Terry used what we thought the whole ramp was going to cost except for Robert's pay.
9. Pickle ball court
10. Electric gate to the beach
11. Splash pool
12. Breezeway electric gate
13. Signage
14. Lighting for the pool area - Sharon said she would think a lot of time about putting a lot in it because when the temperature goes down we won't have the pool open and we will need lifeguards.
15. Pool baths

Sharon said the Recreation Hall has \$73,055.37 in 18/19 Budget that will be adjusted.

Terry said the 'Lighting Park' was for the pool and basketball court.

Steve asked where the Kitchen work was shown. Sharon said it doesn't necessary mean it is not included as it can be incorporated in the Hall. She said we will have \$20,000 left 'here' plus we have \$180,000. She said Jim said he can get it done in less than that including the kitchen. Sharon said we paid for the engineering. Gwen said the structure modifications may be more than thought due to making it strong enough for the ceiling work. Sharon said the list in Capital Outlay may not get done if we don't have enough money (for the bid). Sharon said she wants to take the money out of the Hall to balance the Budget because it is large enough to do that. Gwen said we will do the Hall work this winter. Sharon said if we have the money in Capital Outlay we only need a motion (from another Capital Outlay item) to move it to the Hall. She said when it is Reserves it will take a Resolution to move it (to Capital Outlay).

Sharon said the Capital Outlay is for what the Board would like to get done during that fiscal year. She said the Reserves are for the items we don't have enough money so we need to build on it to do it.

Sharon questioned the \$1,127,652.65 in the Marina for 19/20. Sharon said without the Boat Ramp we should have \$1,400,000 and we will use a lot of that for the Marina. Terry agreed. Sharon said that that will change things by \$200,000. Terry said the Marina and Boat Ramp should have \$1,480,753.50. Sharon questioned the number. Terry said it's because she took Kelly Bros and Robert out of it. Sharon said she thinks it is more than that because there was already \$235,000 in it before and it should be \$1,400,000.

Steve asked if the \$73,055 in the Hall was in 18/19 year Reserves. She said we may have less money because we projected Hall and Marina rentals that may not come in. Sharon said the income this year was less than projected because the accrual basis and cash basis was working on different dates. Steve asked if we will pull from Capital Outlay if we need more money. Yes. Sharon said the Board can. She said the Budget is a projection only, and we need to pay attention to what we do. Dan suggested we raise the slip rates. Sharon said we are higher than most marinas now. She said we should have more 'sailable' slips when the marina is done with bigger slips for bigger boats. She said Trailer Estates does not have any big boat slips.

Terry said the Reserves as of April 1st is \$1,127,652.65 after taking CES, Kelly Bros. and Robert out of the total. Sharon said she will borrow the page to do her work tonight. Gwen stated Robert's pay will be as an employee in wages. Sharon said the Roof is left; the \$26,607 is left. She said from the \$180,000 we spent \$18,000 and we are down to \$162,000. Terry said that everything we have a little bit left in will be added to the Railing because it will cost that much; Jim's lowest bid was \$9,000. Gwen said that that was a 3-rail bid. Sharon said Jim is trying to get another bid.

Terry said she left the little items (remainders) out of the Budget. Terry dissolved the savings fund (\$250,000). Gwen said by the time the fiscal comes around the 'remainders' will disappear (be spent) anyway (on work done this year).

Terry estimated \$347,661.20 but she did not know what Robert will use. Gwen said he will be paid as an employee (in Wages). She said we don't know exactly what Mark, CEC will charge. Sharon said the contract was for \$30,000. Gwen felt the CEC bill may come after the fiscal, due to closing the permits. Terry said we may be billed by July. Terry said that Robert's wages should be included in the Boat Ramp expenses. Sharon said Robert is working for the Board not the marina, etc. Gwen asked if it should be a 1099. Sharon said he is an employee as recommended by Natalie. Gwen said -then it includes workman's comp and all.

Sharon asked for a copy of the two worksheets from Terry. Steve accommodated. Sharon said that the Board cannot vote by secret ballot, but the owners can.

Sharon will put the figures in and send it to Terry for review. She said it has got to balance. She said she had found 'Capital Outlay balance forward' of about \$50,000 because we over allocated on a lot of things that we will not spend. She said we had \$134,000 come forward that we did not spend as money left over from last year. She said we don't have a figure to show at this time. Terry said we are thinking we are spending more than we have left at this time so we are guessing on what we have (left). Sharon said the figures she used show we are bringing forward about \$110,000 which includes some of the Capital Outlay and that is included in the \$676,000. Terry said in reality it may be much less. Sharon said we had some padded figures in this year's Budget and it depends on how it works out. She said next

year it will be much easier because everything will be consolidated where it belongs. Gwen said it seems confusing and we have tonight to do it. Terry said we are done.

Sharon said 'this' form will go in the newspaper. Terry said it will be balanced. Sharon said the numbers are not 'cast in stone'. Gwen said she understands that but there is a vote coming that is 'cast in stone'. Sharon said she takes it seriously but again we are sitting here now and we have six more months and have no way knowing what will happen. She said we are doing the best we can with the Budget and that is what anyone can do with a Budget. She said we are being realistic with the money. She said the money in the Capital Outlay not spent will move into next year. She said one problem we had this year was the Audit was done on an accrual basis and we were working on a cash basis. She said the Marina fees were received in September but they need to be shown in this fiscal for the Budget. She said Natalie will print a Report when the money starts to come in. She said that last time she discussed with Natalie why we should have \$220,000 and we only have \$134,000 – it was because received fees were shown in the wrong budget year. Sharon said the Budget Report will have the summary of item categories and a column of numbers. This year's information will not be included. Sharon said she may show part of the Capital Outlay items/money adjacent to the Category lists/money to consolidate the Report. Terry suggested listing Income/Operating Expenses, then Capital Outlay, then Reserves to make it look better.

Sharon will update the Wages for the changes and the other items that Terry changed. There was discussion on posting the Budget in the Banner. Gwen thought it was required, but after the meeting Gwen admitted she was wrong. Gwen encouraged that the Budget be posted in the Banner along with the newspaper.

Sharon said we need the Budget approved (by owners) by June 1st, and August 1st to the County. We will stay all night until the Budget passes at the Budget Meeting. Sharon said the financial report is due in April (not the Budget).

Steve asked about the cost of the resurfacing the breezeway Capital Outlay as he saw \$10,000 in this year's Budget. Terry said it was \$9,000 plus. Sharon said we had three things; flooring, hall ramp, and ADA lift. She said the left over money will go to the railing. Sharon said we have not done the Pier. She said we have done the temporary Pickle ball but asked for a storage box. Belle said the box is ordered. Belle said the Jazzercise waivers appeared last night. She said that a letter was sent last night and she called Belle when she was not around and will call Belle back. Belle said she has liability insurance for Jazzercise, not for the district. Terry said the ADA Lift for the pool was budgeted at \$9,000 and it was \$8,268; the ramp was budgeted \$5,000. She said the flooring check was written for both the breezeway and ramp for \$7,089.36 and broke out: the ramp was \$1,500 of it and the breezeway was \$7768 but we still have to do the railing. Terry left the 'Sheds'. The Pickle ball was \$700 and only \$74.64 has been spent so far. She said when she adds all the little bits of money up it should pay for the railing. Terry said she was going to leave them in Reserves. Sharon said that in the Capital Outlay account- all we would have to do is make a motion. Sharon said in the end of the night all of the numbers will balance out. Gwen offered to help but Sharon said she did not think anyone can or know how two people can work on this part. When Sharon sends the Budget she will include a blank for Terry and the office to use.

Discussion on the County's list of owners that need sorted/ printed for the Budget Meeting. Terry said we have wrist bands for the voters.

The meeting adjourned at 8:15 PM.

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