

SOUTH BAY COMMUNITY ASSOCIATION
FINAL FINANCE COMMITTEE MINUTES
JULY 6, 2021 MEETING

1. Call to Order at 1:04PM
2. Determination of Quorum
Quorum established. Committee members present: Darrow, Jurca, Knodle, Spagle. Also in attendance: President Clark and GM Torres.
3. Approve Agenda
No changes to the agenda.
Motion to approved by Jurca, 2nd by Knodle
Carried 4/0
4. Approve Meeting Minutes of June 8, 2021
No additional changes suggested.
Motion to approved corrected minutes by Jurca, 2nd by Knodle
Carried 4/0
5. New/Recurring Business
 - a. Chair Spagle received an email from Committee Member Bill Dennis with notice of his resignation from the Committee effective July 5, 2021.
It was suggested Spagle solicit interest for volunteers for the Finance Committee during the Finance portion of the Annual Meeting July 28.
 - b. Treasurer's Report
Brief discussion regarding addition of 2 new accounts: both Reserves:
Sound Bank CD opened with deposit of \$150,000, source operational surplus, and 2nd account (checking, no interest earned) at 1st Security Bank in Port Hadlock that will be used for current Reserve expenditures. The purpose of moving funds is to ensure all deposits are less than FDIC insured amount of \$250,000 in any one bank.
Carried 5/0
 - c. New Format for Treasurer's Report
A draft suggested format for the Treasurer's Report was shared with committee members and suggestions for changes/improvement sought. Darrow recommended including YTD information on income/expense/net. Spagle will update the template and send it out to committee members for comment.
 - d. Financials: Current Month and YTD
Balance Sheet:
New accounts noted (see above) but no other comments or questions.
Income/Expense Report: discussion relating to Capital Contributions and future treatment, i.e. keep in Operations or move to Reserves. The committee decided to allow the funds to accumulate throughout the fiscal year and during the month of June determine and recommend to the Board how those funds should be dispersed (i.e. stay in operations to meet those needs or move some/all to Reserves or some other as yet to be determined fund). GM Torres and Spagle will work out the accounting class coding in QuickBooks. No other issues were raised other than to note our overall savings due to closure with significant savings in Payroll, Utilities and Supplies.

- e. Changes to financial reports: GM Torres is working with CPA to alter QuickBooks reports that will provide additional information such as better matching income and expense for non-assessment income and tracking discounts allowed for community group rentals.
- f. Discussion around treating member assessments and associate member assessments differently in terms what percentage of each type of assessment goes to Operations and what percent to Reserves. The Committee opted to treat both the same with no distinction.
- g. Duane Anderson will be in sometime before the Annual Meeting to do year-end adjustments and review. We need to find a local CPA to do quarterly adjustments. Spagle will contact local CPAs.
- h. June GM Budget Report
 - i. Finished the year with operating surplus.
 - ii. Surplus driven by: operational expense savings in utilities, payroll and supplies.
 - iii. Income impacted by loss of associate members and 3rd quarter regular dues refund, and slightly offset by unanticipated fees income from resolution of Lewis suit.
 - iv. Securing bids for heat pump surround
 - v.
- i. Reviews: Bill Dennis & Ed Knodle
No review to report on. Bill Dennis has resigned from the Finance Committee and Ed Knodle has indicated he will be stepping back from the review function. Bill has prepared a template that he has made available for our continued use. One or more persons will be identified to continue the reviews.

6. Old Business

HVAC/Lighting Project update:

The projects are complete. Total cost just over \$196,000, \$16,000 (9%) over original approved budget of \$180,000. GM is seeking bids for the heat pump surrounds on the front of the building to match the existing surround.

7. Reserves – status of current year authorizations/expenditures

Reserves costs for the year totaled: \$237,163

Projects completed: Pool resurfacing, parking lot sealing, replace blown window seal in pool area slider, lighting upgrade, HVAC.

8. Finance Issues from Facilities Committee Meeting

- a. Tennis court: cut back/irradiate blackberry brambles encroaching onto courts – Mark will secure bids and Spagle will propose the Board approve the expense at the July 8 Board meeting.
- b. Reserve projects
- c. Shrub trimming
- d. Failed heat pump
- e. Pool valve failing

9. Comments

None

10. Adjourn at 2:41pm

The next Finance Committee: August 10, 2021, at 1:00PM.