



# Sunlight Waters Country Club

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## Sunlight Waters CC Board Meeting Minutes

February 27, 2023

### Call to Order

A special meeting of the Sunlight Waters Country Club Board of Directors was held on February 27, 2023, at 7:00 PM. The meeting was held remotely using Zoom (meeting ID 789 986 8514).

Call to order by President Dave Korpi at 7:01 PM.

### Attendees

#### Roll call

Dave Korpi (President), Donna Mayo (Treasurer), Jeannine Takaki (Secretary), Bill Porter (Trustee), Doyle Beekley (Trustee), Mike Josenhans (Trustee)

#### Guests

- Facilities Manager Erin Schultz
- Jerry Ihrke
- Terry Clinton
- Nic Heller
- John
- Bill Mackenzie

#### Members Not in Attendance

Brandy Lobdell (excused)

### Approval of Agenda

No new agenda items were added.

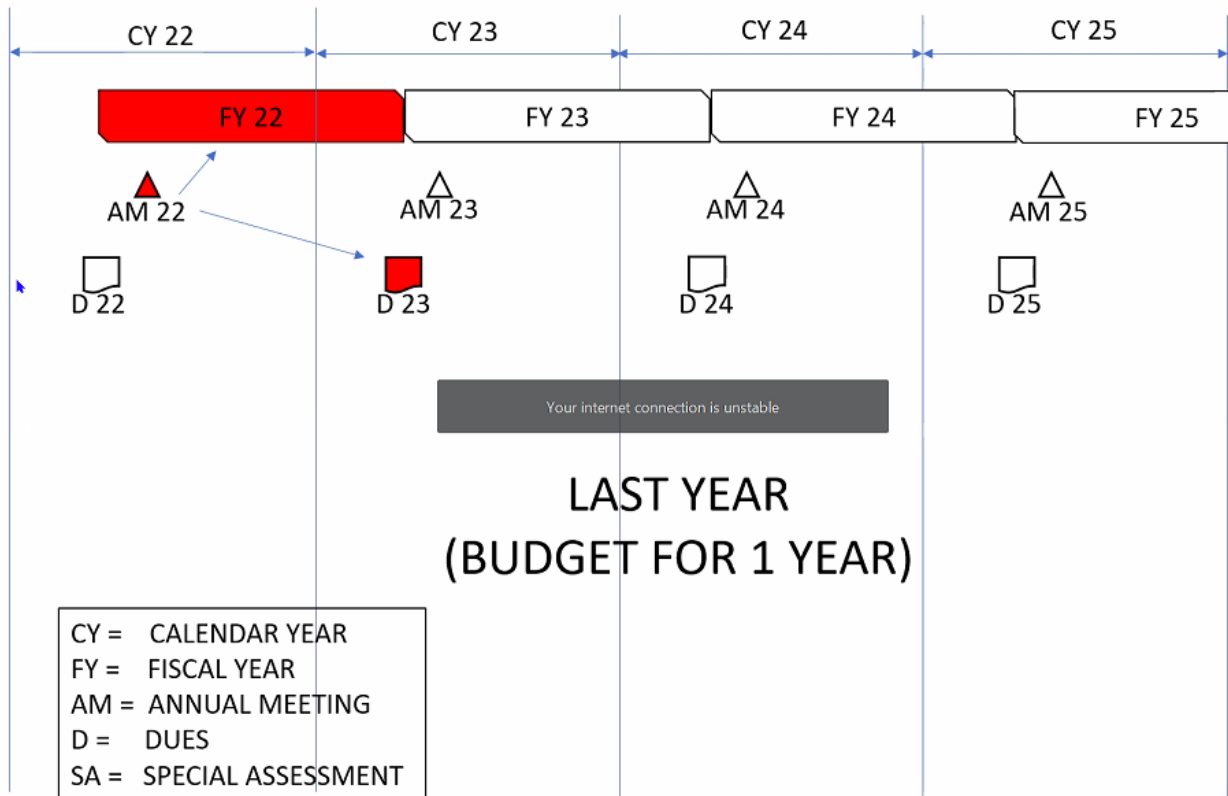
### New Business

#### Budget Motion

Dave provided an explanation, accompanied by PowerPoint diagrams, to describe the period that dues are set for and the period for which the budget is created.



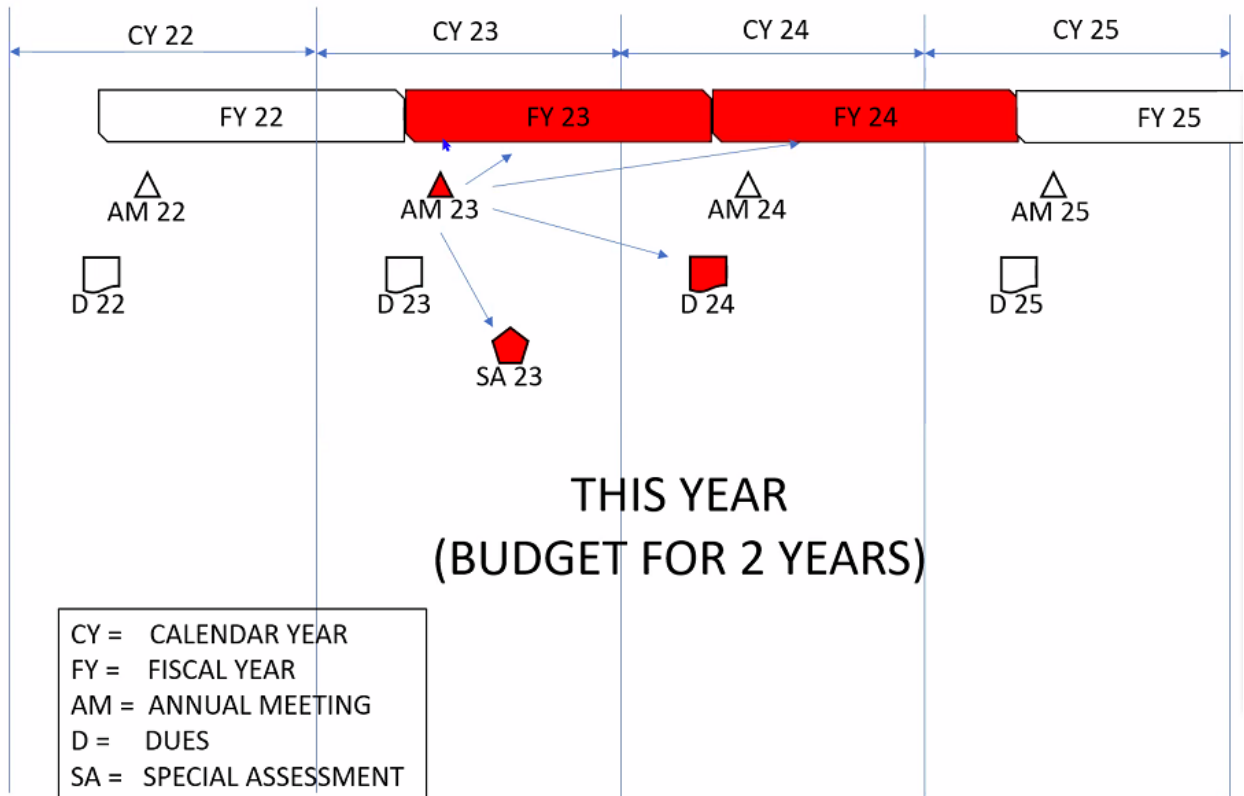
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- Dues are being collected now for the next fiscal year (FY).
- At last year's meeting, we raised dues from \$340 to \$400, which was based on what we thought we would be spending last year, based on the last year's budget.
- The annual meeting starts **after** our fiscal year begins.
- FY 2023 will require more funding than the dues are giving us. The exact amount won't be final until the budget preparation meeting this Saturday (at the Clubhouse).
- When we set a budget in May, we will set a budget for two years, and we will set dues for FY24.
- However, we will have a shortfall, because we didn't collect enough in FY23 to cover the year. Therefore, will need a special assessment to cover the shortfall.



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- The diagram shows the process of doing a two-year budget.
- The previous year, we set the budget for FY23 and FY24.
- Technically, next year we don't need to reset the budget. However, we might find that our spending needs to be revised. The intent of having two-year budget process is to review spending again.
- At the annual meeting, we would however, set dues for FY25. If funds are inadequate, we would review spending again.
- This pattern (two-year budget) is one that always requires a review, and potentially a special assessment.

Everyone should understand that we are **supposed** to do a two-year budget. This year, we will set dues and ask for a special assessment.

#### Discussion:

- Why do we do a two-year budget? A: It is in our by-laws.
- How do we determine the amount of a special assessment? A: In theory, we compare the amount we expect to spend in FY23, with the amount we collect in dues by March 31. For example, if we need \$500 per lot for FY2023, and dues were \$400, a special assessment of \$100 per lot would be required.



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- Why are we using a special assessment? The intent is to run the community with a balanced budget. If we set a budget, we need to collect money to pay for it.
- Are there other ways to do a budget? A: Yes.
  - We could change to a one-year budget. There would still be a gap between what we collect and what we need.
  - Another option is to change the dates of our fiscal year, change when we set the budget, and change when we collect dues. All these matters -- the date of the annual meeting, the date dues are paid, etc. -- are stated in the by-laws and can be changed. My intent was to come up with a system that would work and wouldn't require changing dates.

## Financial Accounting Services

Donna and Erin got QuickBooks Online downloaded and set up. Cost is \$50 per month but we are getting half off now (\$25 a month).

They worked with Scott to get data transferred. Still need to verify that we have the bank charge account set up properly.

**Payroll:** Tomorrow Erin will review the payroll program. There is an add-on to QuickBooks Online that costs \$75 a month for payroll. We recommend the better version of payroll because it has better support, pays taxes, handles forms like 941 and 940, and does workers comp. This means paychecks wouldn't have to go through an accountant, just a review.

**Accounting fees:** We would like to switch to a less costly accountant. A bookkeeping firm company in Ellensburg called BlueBell specializes in QuickBooks Online accounts and would charge \$150 a month to reconcile monthly and send us reports. In person consultation costs \$60 an hour, and we will probably require 2 hours to get set up and ask questions. Just asking questions by phone is free.

Savings would be considerable since we now pay roughly \$12,000 a year, but the combination of QuickBooks Online, with the payroll add-on, and Melio for bill pay (free) would cost about \$3400. Melio replaces Bill.com and allows credit card payments.

We recommend an audit (cost (\$2200) be done by a company in BelRed (PNW CPA) that specializes in HOA audits.

Including the planned audit total costs would be \$5600.

If approved, we would start the new process in March.

**Motion:** I move that we change accountants from Scott Perna to BlueBell Bookkeeping in Ellensburg, and add Payroll Premium in Quickbooks Online.

Seconded.

Discussion: At request of President, Donna explained what safeguards we have with this system.



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- Most recurring bills can be set to autopay in Melio. We can see each transaction separately in the bank account. Previously a lot of bills were missed.
- Program sends ACH payments, so checks are not needed. Erin will not write checks. We will get the checks that Scott has and lock them up. There would be an approval process if checks were ever needed.
- Once a month the bookkeeping firm will review and reconcile.
- If Erin pays a vendor (such as the snowplow), the program sends a message to the approver (the Treasurer or President), and no payment is made till they approve.

Voice vote was taken. Motion passed.

## Adjournment

At 7:32 PM a motion was made to adjourn the meeting. Seconded and approved.

## Revision History

Date	Revision
February 27, 2023	Source document created; added meeting agenda to template
February 27, 2023	First round of edits. Posted to Zoho for correction.
March 10, 2023	Final round of edits. Posted to Zoho for final review.
March 11, 2023	Approved at regular Board meeting.
March 13, 2023	Exported ot PDF; sent to Webmaster.