

July Finance Committee Meeting

Call to order 5:01PM Thursday, July 6, 2023 on Zoom. **Chaired** by Paula Hepinstall. Also **attending** were Board Contact Terry Nibarger, Donna Archibald, Flint Hibler, Kevin Euston, Jeremy Lillig, Tony Conforti, Michelle Sullivan, Steve Danner, Troy Lesan, and Lake Director Jeff Ferguson.

Discussion:

Financial Documents– Paula reported that June 2023 Financial Documents show better numbers than last month. YTD P&L reflects almost identical numbers as previous year in dues while assessments are in line with 9% cost of living increase voted by membership. Two expenditures were questioned. Jeff explained that a check for \$1,309 to United Rental was for an asphalt roller and a much smaller check to Moxxie Mercantile was for T-shirts for staff. Tony Conforti also questioned a \$66,000 line item expense for payroll expenditure. Paula replied that the amount was for expenses not yet coded and that the number would go away when expenditures were coded.

Morgan Stanley Update – Terry Nibarger reported that VVA has moved \$500,000 (maximum allowed.) from our uninsured money market to another MS money market account that is FDIC insured. Rate of return is only slightly lower @ 4.75% with the \$500,687 in new account vs. 5.2% on the \$613,849.60 remaining in original MM account. No additions or withdrawals other than fees charged in these accounts in June. Total value of MS accounts went from \$1,480,434 on May 31 to \$1,509,800 on June 30 for an increase of \$29,366, after fee of \$401.63 (1.25%). At the halfway point, our YTD gain is \$76,918, after fees of \$2,362 (5.37%). This return is representative of the modest level of risk we have taken with our portfolio.

AUDIT– Paula continues to make inquiries on audits and reports that there are 3 types of audits: 1) *Compilation* done on a monthly basis 2.) *Revue* built on previous years audit and *Full Audit* which is the most expensive audit with cost running in the neighborhood of \$20,000. Note: in 2021, VVA transitioned to a new accounting process and from antiquated software to Quickbooks. With Westbrook CPA firm importing data and literally rebuilding system line by line, the VVA was not without accounting oversight. However, VVA has not had an audit by an outside firm since 2017 when our Financial Documents were less sophisticated. Consensus by Committee is to follow Paula's recommendation of a Full Audit. UHY does our monthly Financial Statements and can do audit. Tony Conforti has volunteered to find 2 other companies so that RFP inquiries can be sent. Target date: Summer of 2024. Michelle Sullivan suggested the implementation of a policy for stating how often audits are to be done in future.

Sale of VVA owned lots – 3 lots sold in June (\$15,000) – YTD total \$37,362. Jeremy Illig reported further interest among membership in additional lot purchases.

Sale of lot 717 – Member bidding process is underway and ends July 15. If no bids are received, lot will go on open market. Jeff reports Dredge Prep work on this lot is completed.

Jetty/Dock Project – At the special finance meeting held on June 26, the committee unanimously approved the project contingent upon a “scope of project” agreement being signed by Jared Hill. Jeff will write the agreement similar to the one written for the Rock Weir project. Committee agreed that Rock Weir project is to be done first for continuity with existing dredge work. Jeff wrote a “Scope of Project” agreement signed by Jared Hill with a Certificate of Insurance on file at the clubhouse. Funding will come from the Capital Projects reserve fund and be paid back no later than 3/31/24 from the 2024 Dredge Budget/Dredge Accrual. Funding for Jetty Dock Project still to come from sale of lot 717.

Description of Rock Weir Project by Shawn Hepinstall of Dredge Committee reviewed.

1. Install an 82’ long x 20’ wide top rock weir across Big South Creek behind the yacht club where dredging has recently been completed.
2. Height will be established based on survey elevations at Lake Viking Terrace and weir location vs normal lake pool elevations. We want water to slow and pool but not backup with the potential of flooding.
3. Weir will be wide enough to use as a land bridge to clean both sides of the creek.

Estimated Cost of Project

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|----------------------------|--|
| 1. Survey Elevation | \$1,500 |
| 2. 1,793 CY of rock | \$00.00 (Donated by Jared Hill) |
| 3. Haul Rock | \$21,545 (Jared Hill to provide trucks and drivers as donation to VVA . . . Est 139 TL @ \$155 per load - VVA to pay \$155 per load) |
| 4. Load Rock - | \$2,120 (Hill to Provide Loader and operator at quarry. Loader donated, VVA will pay Jared's Operator @ \$38.50 x 8 hrs \$308 +2hr @\$58 \$116 = \$424 x 5 days) |
| 5. Set Rock in Weir | \$00.00 (Jared Hill to provide machine & he will operate at no cost to VVA) |
| 6. Set Rock in Weir | \$2,120 (Jared Hill to provide 2nd machine as a donation. VVA will pay Jared's operator \$38.50 x 8 hrs \$308 +2hr @\$58 \$116 = \$424 x 5 days) |
| 7. Fuel | \$3,340 3 machines- total 200 gal day x 3.34=\$668 x 5days |
| 8. Site Prep | \$00.00 Jared hill will provide a Dozer and operate as a donation. To cut an access ledge & set rock. Billy will dig out silt where weir will be located. |

Total Est Cost **\$30,626**

Timing of Project

July 5 -9th Clean and Build Access - Lake Viking Maintenance and Jared Hill

July 10-15 Set and Build Weir

These details will be discussed further @ July 9 Monthly Board Meeting.

VVA Handbook BY-LAW changes: Moving the annual meeting to October

Recommendations for language Page 9, Section 1 re: Finance Committee responsibilities were sent to Donna Redden-Archibald and Tom Rice to be presented at 2023 Annual Meeting.

2023 Retained Earnings Discussion – Paula reported that \$20,000 remains in dredge accrual and more work this year by Dredge America will absorb that amount.

2024 Budget Analysis Paula opined that spending and expenses will be up significantly and asked for suggestions. Troy Lesan pointed out that for the last several years road expenses have greatly exceeded funds taken in from road assessments. Compensation has always been made by transferring funds from other budget line-item surpluses, but in the future these surpluses cannot always be depended on. A more realistic assessment should be considered for the 2024 budget. Lake Director Jeff Ferguson stated that he was looking into a road repair strategy that would be more than the standard chip and seal. Jeremy Lillig stated that a need for an increase in Road Assessment should be adequately explained to membership. Paula and other members of Finance Committee will start meetings next week on the 2024 Budget.

Campground Septic Update – Lake Manger Jeff Ferguson explained the need for continued planning on projected lagoon levels and stated that plans for surface application and a drip system proposal were on the table. DNR contact will entertain a revised submission from VVA for flow calculations.

Clubhouse Septic Update – VVA still waiting on documents on design.

Lake Director Report – In summary, Jeff reported that Condo Control will go live in accepting online payments in August. Also increased participation due to “multiple users” may result in a slight cost increase in the service. An efficiency in staffing will occur when VVA begins code access to dump & burn-pile which will not require personnel. Cameras to monitor.

Beach Renovation - “S” Lot 131- Price was reduced, lot now being mowed

Credit and Debit Card payments and update on working with the USDA on additional revenue streams – Steve/Jeff Ongoing

With no other business, meeting was adjourned @ 6:38

Minutes compiled by Troy Lesan

