Lake Dabinawa Board Meeting Approved Minutes

July 23, 2024 at 6:30 PM

Zoom meeting link: https://us02web.zoom.us/j/89851228007?pwd=kMZnHM1isjaAIay4ASgWJxa8vX6F7L.1

1. Call to Order – The meeting was called to order at 6:30 pm by Chair Jeff Stokes.
2. Roll Call – Attending via Zoom were 4 participants. Attending at the Community Building were 6 participants.
   a. Board Members – Jeff Stokes, Jared Soppe, Aimee Losey, Kelly Woodward, Mark Van Nuland, and Rusty Thomas. Dave Noll was absent.
   b. Residents –
      i. Zoom: Julene Soppe, Mary Weathers, Susan Delfelder
      ii. Community Building: Kurt Ewert
3. Discuss annual operating budget 2024-2025 fiscal year – The meeting began with a discussion on excess cash and budgeting, including sources of excess cash. The importance of considering cash flow and budgeting within the organization's financial framework was stressed. For example, the timing of expenses at the start of the fiscal year is typically not problematic because most revenues come in October at the start of the fiscal year. The conversation also explored the possibility of having a budget greater than the dues amount, which could happen if there are additional revenues that are not designated. It was explained that excess cash may result from underspending or increased revenue from fines and past dues. The importance of earmarking excess revenue into the appropriate funds was discussed along with the need to communicate effectively with the community about the organization's financial status and decision-making regarding excess cash.
   a. Criteria for use of Reserve Funds – The Board reached consensus on the following criteria for use of reserve funds, which could be adopted into the Rules and Regulations as a General Internal Operating Procedure:
      i. Unexpected expenditures of a critical nature
      ii. Short-term cash needs
      iii. Capital projects
   b. Determine the dollar amount to keep in reserves – $50,000, which is approximately one year's operating budget.
   c. Determine the dollar amount to keep for cash flow in the checking account – The importance of tracking cash flow was discussed, although it is not typically a problem since most dues are paid at the beginning of the fiscal year. Also, there is a possibility of using the Reserve Fund to cover temporary shortages.
   d. Determine the use of any excess operating funds – There was a detailed discussion on the management and allocation of excess funds. Various options were discussed, including increasing reserves from $21,520 back up to $50,000. It was projected that $10,000 could be added to next year's budget based on additional revenues.
   e. Interest projections and accounting – It was noted that interest earned on investments will be allocated back into the fund that earned it. Additionally, dues that are collected late based on enforcement activities will be allocated to the different funds per the percentages adopted in the Bylaws with the possibility of first deducting expenses associated with collection of late dues.
   f. Delineation of capital expenses within the Operating Fund – A new section was added to the annual budget specifically to differentiate capital, versus operating, expenditures.
   g. Make any further changes to the proposed budget based on the above – The draft budget from the previous meeting was amended based on perceived need.
   h. Discussion with Long-Term Planning Committee Chair Kurt Ewert to prepare for August 15 discussions regarding potential capital expenditures – The significance of the capital reserve study and the need to differentiate between capital expenses and operating expenses was explained. The updates will be finalized after the election which may change the revenue outlook.

   The draft budget may be further refined at future meetings, including further discussion of paid administrative assistance.
4. The meeting was adjourned at 8:15 pm.