

**BLUEWATER BAY MSBU
BOARD of DIRECTORS
Public Meeting
February 11, 2015**

I. Call to Order

Chairman Debbie Stretch called the meeting to order at 5:33 p.m. Present were Directors Felix Beukenkamp, Jonathan Tallman and Judy Griffin. Steve Hall was absent. The presence of a quorum was confirmed. Also attending were Marcia Sanders with the Bay Beacon and Nancy Beukenkamp. Representing Bluewater Management Services were Darlane Landsberger and Meredith Collins.

II. Budget and Financial Discussion:

Mr. Beukenkamp reported the following:

What Happened?

- Met with Dave Skarzynski, Budget Manager at the Clerk of Court office and he reported that there is a new county administrator and was unsure as to when the MSBU budget needed to be submitted. Mr. Beukenkamp recommends wrapping up our budget in April for submission in May/June time frame.
- What Happened:
 1. Beginning cash balance of MSBU for October 1 was projected to be \$79,532 and was actually \$36,742, a difference of \$42,790
 2. Dave Skarzynski, Budget Manager at the Clerk of Circuit Court office, accounted for the \$42,790 adjustment by reducing our \$22,671 reserve account (revenues above expenses) to \$0, and assigning a charge of \$20,119 to lawn services

How do we prevent a repeat performance?

- The chart of account codes used by the BWB MSBU Management and the County are not the same. This difference can add to confusion and error in what should be a clear accounting/communication system. Mr. Beukenkamp reported that Ms. Landsberger provides a great report and recommends that we possibly use the last 3 or 4 numbers of the County's account codes.
- We need to be very careful when sending invoices that are approved by the MSBU to the County. Ms. Landsberger reported that when she gets a report from the County, that's what she believes it accurate. Mr. Beukenkamp reported that Mr. Skarzynski reported that they post real time numbers.
- Mr. Beukenkamp reported that he would characterize the MSBU as a strong Accounts Receivable (A/R) and a weak Accounts Payable (A/P) operation. Collecting revenue does not require strong controls, and is easily verified. Controlling expenses, payments and accurately reporting these seems to be the problem.
- Where did the \$42,790.00 go?
 - A lot of funds were spent on landscaping last year
 - While doing a five year review of expenditures, we were negative \$55,000 last year
 - How do we prevent this from happening again?
 - Need to start with a beginning balance, input and expenses

How do we Adjust Our Plan (budget)?

- The \$29,000 +/- invoice for the Southwind sidewalk work was invoiced in 2014, but has not been paid. This item will need to be paid in the 2015 year budget in addition to the \$20,199 presently charged to account #534607 CS-Lawn Service.
- The estimated \$30,000 cost (2012 dollars) of the Winged Foot Drive sidewalks will not incur until the 2016 FY budget
- Reserves are presently at a 5+ year low.
- Minimum budget adjustment is \$20,119 (unplanned expense over revenue not covered by excess cash) + \$29,000 + (sidewalk work).
- Ideal budget would include a plan to rebuild out reserves – 3-6 months of operating is considered prudent
- What options does the BWB MSBU board have to adjust the 2015 budget?

Questions and Possible Solutions:

Does the BWB MSBU accounting system reflect our decision in a timely and accurate fashion?

How can the BWB MSBU more effectively coordinate accounting information with the County?

A beginning point, adjust the expense side of the house:

4418 Landscape Contract	\$214,000
4420 Management Fees	\$24,000
4419 Landscape IRR	\$18,000
4426 Master Community Plan	\$14,740
4420 Common Area Enhancement	\$11,837

Mr. Beukenkamp reported that no decisions will need to be made tonight. Mr. Beukenkamp reported that his first phone call was to Commissioner Windes and his second phone call was to Dave Skarzynski and then met with Mr. Skarzynski. Also met with Carl Welhart, who was instrumental in implementing the MSBU and he was very complimentary on Ms. Landsberger's financial reports.

Ms. Landsberger reported that Management can change the codes to reflect the County codes and also recommended that the cash balance (reserve) be placed at the bottom of the page with the bottom line amount.

Ms. Griffin asked what the "Other" line item is for. Ms. Landsberger reported that was for the website and maintenance, however, the site is set up and there is a web hosting fee annually, Management has not charged anything additional for maintenance.

Ms. Griffin reported that there was a lot of cost with the installation of the new street lights this past year and additional monthly electric fees. Ms. Griffin also reported that the landscaping fees are not much more than they were in prior years with Bayou Landscaping.

Ms. Landsberger reported that we should have funded the sidewalks, however, moving forward it will be a Special Projects line item.

Ms. Griffin reported that we do not anticipate irrigation being as high as last year, and the budget for 2015 can possibly be reduced.

Mr. Beukenkamp reported that he would like for all Board members to review and try to come up with a plan to reduce the \$42,790 in adjustments for this year. He also reported that the Board can decide to not do any additional landscaping and take a cut in that area.

Mr. Tallman asked about the tax commissioner commission, is this new? Ms. Griffin reported that it was always in place, however, we did not pay it until now. The good news is that it's not retroacted back to prior years.

Mr. Tallman reported that as a Board we can look at applying for grants which may possibly pay for the sidewalks. Ms. Griffin asked how do we apply, Mr. Tallman reported that the forms are on line. Ms. Griffin reported that the Board should take advantage of any possible money available. Mr. Beukenkamp reported that the county was to do the sidewalks. Ms. Stretch reported that the private company estimates were not that much more than the county was going to charge.

Ms. Landsberger gave an overview of some items that could be reduced in an excel spreadsheet that she will forward to the Board. Ms. Landsberger also reported that she will change the codes to coincide with the county codes for next week's Board meeting.

Mr. Beukenkamp asked Ms. Griffin if Valleycrest's contract is for a one year period. Ms. Griffin reported yes, however, with a three year option. Ms. Griffin also reported that she is very happy with Valleycrest, they go above and beyond and have done a tremendous job, we are getting out money's worth with the contract.

Ms. Stretch reported that the Skipjack area that does not pay taxes off of Bay Drive. Is there any way that we can get them on the tax rolls for revenue/income. Ms. Stretch reported that she will speak with the County Attorney at Tuesday's meeting. Mr. Tallman also reported that the new Superior Residence will be paying annual taxes once completed which will increase the annual budget.

Ms. Griffin reported that the Board should address Crowd Funding again and possibly try to enlist some local business's to beautify certain areas within Bluewater Bay. Mr. Beukenkamp reported that he will give his recommendations on cutting the budget and he would feel much better if the reserves were back in the \$50,000 range again.

Mr. Tallman asked if there was a possibility of increasing dues for a two-year period, i.e., \$100.00 vs. \$63.00 for two years and then bring the dues back down after that time. Mr. Beukenkamp reported that question would need to be addressed to the County attorney. Mr. Beukenkamp reported that the ordinance allows for a five (5) percent increase annually.

Ms. Griffin reported that someone used to sell license plates with the Bluewater Bay Logo, perhaps we can speak with Jerry Zivan to facilitate and use as revenue. Mr. Beukenkamp reported that Clay Simmons is no longer with the County and that Rob Vanderberg is his replacement. The Board discussed having a workshop and will schedule at Tuesday's Board of Directors' Meeting.

III. Adjournment

The meeting was adjourned at 6:52 p.m. with a motion from Ms. Griffin.

Submitted by: Meredith Collins

Approved by: Debbie Stretch