

BYWATER WAY ROAD MAINTENANCE ASSOCIATION
FINANCE COMMITTEE MEETING MINUTES
02 October 2024

Members Present: Bridget Richardson (Treasurer), Tom Clemens, Laurie Davis, Nancy McGillis, Polly Peters, Wayne Ritchie (Scribe for this meeting)

Members Absent: None

The meeting was called to order at 5:35 pm at the Richardson home (711 Bywater Way North) by Bridget Richardson. Wayne Ritchie once again agreed to serve as scribe for the current meeting.

Brief discussion was held surrounding items of information to be sent to Association Reserves (AR) to facilitate their conducting a second contracted year (of three) follow-up evaluation of BWRMA's reserve status and needs. Bridget will share with them the 2023-24 financial report and 2024-25 budget, as well as expenditures undertaken during Summer 2024 for the interim road repairs planned prior to anticipated chip-sealing of Bywater Way and Bywater Way North during 2026, reserves allowing.

Laurie Davis then presented a summary of her findings regarding CD Rates available in the local marketplace for investing idle Reserve Funds while they accumulate toward future repair work. While the highest rates were those offered by First Security Bank, those offered by Kitsap Bank – with which BWRMA already has a banking relationship – were comparable, and it was noted that rate quotations had been obtained prior to rate reductions occasioned by recent action of the Federal Reserve Bank. Given the anticipated much easier process of opening a new account at an existing bank relationship, the Committee voted to recommend to the BWRMA Board that it enact a resolution authorizing the Treasurer and/or designated Finance Committee representative to open two (2) Certificates of Deposit (CD) at Kitsap Bank: one for \$15,000 and one for \$10,000, so that in case of need to withdraw funds before maturity there would be no need to suffer an early withdrawal penalty on the entire corpus. At the rates reviewed, the Committee felt a 5-mo CD to be the optimum recommendation, but the Board may wish to authorize the Treasurer/authorized rep to select another term based on actual rates quoted at time of account opening, so long as that does not extend beyond May-2026, when these funds are expected to be needed to support anticipated Summer 2026 work.

Discussion then arose surrounding Public Utility District (PUD) responsibility (or not) for undertaking utility and related road repairs beneath paved BWRMA roadways. This appears to be an open question, and there was uncertainty as to whether either of BWRMA's insurance policies would cover such work.

Lastly, attention turned to 2024 progress in the collection of BWRMA Road Maintenance Fees as voted upon at its 2024 Annual Meeting (\$900 per lot) and the resulting amount that should be available to accrue in the Reserve Fund toward future repair work (\$600 per lot projected). Based on an assumed 80 lots (of 91) participating, "Scenario 5e" as adopted at the Annual Meeting projected total 2024-25 fee receipts of \$72,000, of which \$48,000 would accrue to the Reserve Fund. Bridget reported that to-date 68 lots have paid full or partial Road Maintenance Fees totaling \$57,112, with another \$1,800 committed in near-term progress payments by those asking to spread payments over several months. While reminder letters referencing the newly-enacted late-payment penalty (10% annually = 0.83% per month) may be going out soon, current receipts and commitments totaling roughly \$59,000 would be shy of the projected \$72,000 total fee stream by approximately \$13,000.

The meeting was adjourned at 6:30 pm.