

Finance Committee Agenda and Minutes

Zoom Meeting – August 25, 2026 – 7:00 – 9:00 pm

1. Meeting Call to Order 7:00 pm – Steve Oien
2. Approval of Agenda – 5 minutes
3. Approval of June 23 Finance Committee Minutes – 5 minutes
4. EMC Membership Forum – 15 minutes (if needed)
5. 2027 Budget Development – Review of the Following: (1) Draft 2027 Capital Budget (Steve will send out draft by August 21; (2) Draft 2027 Operating Budget (Rhonda will prepare); (3) Discussion and recommendation regarding consolidation of fees into annual dues (Water, Garbage, Firewise. Snowplowing to remain separate)
6. Discussion and recommendation whether to revise Bylaw (7.2) to eliminate 5% lid on annual assessments.

Minutes

EMC Membership Forum – There were no members from the community present.

2027 Budget Development

Capital Budget – Steve walked the committee through the draft 2027 Capital Budget. All of the items were derived from the 2025 Updated Reserve Study. Tractor debt service and Waterline items generated no discussion. ***Pool Heat Pump Replacement***, Pool House Rehab and Pool Picnic and Patio Furniture Replacement generated several discussion points. Re Pool Heat Pump, Pitkin stated that it was unclear if the Heat Pump needed replacement since it seemed to be functioning fine. (Pool was totally rehabbed in about 2015.) It was agreed that he or Jordan would follow up with our pool maintenance contractor to see if they had a recommendation. It may be replacement can be deferred to the future. ***Pool House Rehab*** Since the Reserve Study only refers to cleaning of siding and board replacement, it is not clear what other work might be necessary. Also, regarding ***Pool Picnic and Furniture Replacement*** the Reserve Study does not specify items. Steve stated that he had asked Rachel if the Pool Committee had any recommendations, but she had not yet reported back on that. An additional item that came up was the condition of the ***Campground Showers/Flooring, etc.*** The Reserve Study has no planned renovations until 2045. However, there was agreement that the shower areas are in need of updating. It was agreed the Committee would recommend adding about \$7k for Campground shower replacement. This could be offset by reducing the amount of money allocated for items related to the pool. Steve said he would revise/update after hearing of proposed items from Rachel, and feedback on heat pump replacement.

Rhonda also pointed out that Steve needed to up his revenue projections as there are no 287 lots in Zone A, and 25 Campground lots in Zone B (unchanged).

Operating Budget – Rhonda presented an overview of the operating budget. The following were major discussion points:

Expenditures – The Finance Committee agreed to recommend that the 2027 Operating Budget be set to meet the following highlights: (1) Provide inflation adjusted salaries of 3.6% for the existing two staff. A \$3,000 contingency for incentive pay for employees is also included in the recommendation. (The Finance Committee recommends that the Board adopt clear policies on how incentive pay will be awarded.); (2) The Finance Committee agreed to recommend the 2027 Operating Budget include the full amounts requested by the Firewise, Trails, and Roads Committees. (3) The Committee recommends that an additional \$500 be added to the Legal budget for anticipated legal support for By-law updates in 2027. (4) Other misc. line items were adjusted based on actual 2026 usage.

Overall Revenue Increase – The Committee agreed to recommend increasing combined revenues from Assessments and Fees by no more than 4%.

Firewise Revenue – Rhonda had an initial draft that reduced the Firewise Fee by 50%. This was done in part because unanticipated grants left some 2026 funds unspent, and in part in reaction to concerns by some community members on use of the fee for chipping and shredding on private lots. The Committee decided to recommend continuing with the full fee in 2027 because of ongoing concerns regarding wildfire threats in the Methow Valley. Pitkin indicated that the 2026 funds could be committed to treating additional EMC-owned lots this year. The Committee supported doing so, subject to agreement by the Firewise Committee.

Consolidation of Selected Fees – Based on analysis and discussions earlier this year in Finance Committee, the Committee decided to recommend the Water and Garbage Fees be subsumed into the annual Dues Assessments. This is because through historic research it was found there was no relationship between the amounts collected and the cost of related activities. Snow Removal and Firewise Fees will continue to be listed as separate fees as costs coincide with the amounts collected.

Bylaw Discussion – Craig discussed a number of issues/concerns that have surfaced regarding EMC's Bylaws that will require amendments in the coming year. Part of these are due to changes in State law (WUCOIA) and part due to errors/inconsistencies in previous Bylaw changes. Craig's discussion indicated that any changes to Bylaws affecting EMC budget/finance should wait to be included in a comprehensive list of possible changes which may be submitted to the membership next year.