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## Re: Money problems prevent pool opening?

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From: **Suzy Palmer** (suzypalmer1@me.com)

Sent: Fri 6/20/14 7:35 PM

To: Dustin Frederick (dustin@local519.org)

Cc: Ed Delahanty (whshed@live.com); Steven E Morrow (stevem@broadstripe.net); chris hendrickson (hendrickcj@gmail.com); Fred Salmon (pheffy@aol.com); Kurt S. Blankenship (kblankenship@bluewilliams.com)

Initially my German brain said, "If you don't have the money then you can't spend the money!" That's a very black and white statement. No room for politics or court judgements in that...

BUT...

I think Dustin has a point. For sure it is important politically but even more important is the fact that, according to the judge, we have to maintain the pool and we are just squeaking by on that. I would hate to spend the money to cover it for a short period before the rehab. \$ down the drain? I have been thinking about it all day since I received Ed's email...

THEN...

I received all the on line budget discussion and I think we have to list priorities in a time line format.

1) We have to change the budget to include the pool...perhaps that should be our first task. Talking about tiered membership and how much it will cost to swim each day is secondary.

2) We need to get the assessment written and approved by the BOD and then get started. We have alot on our plate so it's hard to see what we have to chew on first. Let's do that as a board.

Okay...I'm just thinking out loud. Better get started tomorrow because we are running out of time and soon there will be a new board to contend with. I'm thinking I shouldn't go into the city to be with the kids, but stay here for the board meeting...it's too important to miss. Again, just thinking out loud.

Suzy

Suzy Palmer

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On Jun 20, 2014, at 12:45 PM, Dustin Frederick <dustin@local519.org> wrote:

I disagree---I have no confidence in the initial budget prepared by the prior treasurer and Board. I think we use the money market funds if necessary.

We need to open the pool for legal reasons and political reasons.

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**From:** Ed Delahanty [mailto:whshed@live.com]

**Sent:** Friday, June 20, 2014 12:20 PM

**To:** Steven E Morrow; chris hendrickson; Dustin Frederick; Fred Salmon; Kurt S. Blankenship; Suzy Palmer

**Subject:** RE: Money problems prevent pool opening?

**Importance:** High

I owe an apology to all that have been involved in planning work to get the pool open. Initially the cost to open the pool didn't look untenable, but when combined with all the other expenses on the books, opening the pool for 8 weeks would leave us unable to pay our normal operating expenses.

At this point it seems we should concentrate on getting a clear, feasible ballot out to our membership for complete renovation of the pool facility, hopefully starting with the pool itself next year.

After discussing with Suzy, I'll send a note explaining the situation to all the volunteers who've already put effort in to preparing the pool area for opening

With Apologies,

Ed.

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From: [stevem@broadstripe.net](mailto:stevem@broadstripe.net)

To: [hendrickcj@gmail.com](mailto:hendrickcj@gmail.com); [dustin@local519.org](mailto:dustin@local519.org); [whshed@live.com](mailto:whshed@live.com); [pheffy@aol.com](mailto:pheffy@aol.com); [kblankenship@bluewilliams.com](mailto:kblankenship@bluewilliams.com); [suzypalmer1@me.com](mailto:suzypalmer1@me.com)

Subject: Money problems prevent pool opening?

Date: Fri, 20 Jun 2014 11:33:48 -0700

As Ed has collected final estimates on repair and operation of the pool, I've been collecting current financial information and looking at what budget we would need to approve to incorporate pool repair and operation. What I've included below is the expense side of the equation. 2014 YTD is actual expense through May, 2014 Budget is the approved budget, 2014 REV2 incorporates our best guesses for the remainder of the year with actuals and pool estimates.

Bottom line is expenses including repair and operation of the pool would be **\$80,405**.

The original budget showed projected income of **\$60,112**.

Our unrestricted bank account balance is **\$65,317**.

Adding **\$4,000** of pool revenue from 8 weeks would still leave us in the hole.

Any way we slice it, we come up short.

While we could spend the funds from the money market account (\$19,823), Ed & I don't feel this would be prudent. Lifeguards might be eliminated as well, but we would need to spend to secure unsupervised access to an unguarded pool and there would seem to be increased liability with no lifeguard. Further, Ed's repair costs are good estimates but don't preclude additional expenses for problems discovered during repair.

Read the numbers and let's discuss ... note that lines in purple were on the budget but don't correlate directly with lines in the accounting reports.

Steve Morrow

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	<u>2014 YTD</u>	<u>2014 BUD</u>	<u>2014 REV2</u>
<b>Expense</b>			
<b>Bank Charges and Fees</b>	49.90	10.00	10.00
<b>Equipment Rental</b>	165.00		165.00
<b>Fines &amp; Penalties Expense</b>	5.35	90.00	50.00
<b>IRS back taxes / penalties</b>		3,000.00	1,500.00
<b>Insurance Expense</b>			
<b>Crime Insurance</b>	276.00		
<b>General Liability Insurance</b>	8,286.44		

<b>Lump Sum Insurance Expense</b>		25,000.00	24,000.00
<b>Discretionary Emergency Fund</b>		3,000.00	1,000.00
<b>Insurance Deductible</b>		6,000.00	6,000.00
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<b>Total Insurance Expense</b>	8,562.44	34,000.00	31,000.00
<b>Operating Permits &amp; Inspections</b>			
<b>Pool Permit (Health Dept)</b>	286.00		300.00
	<hr/>	<hr/>	<hr/>
<b>Total Operating Permits &amp; Inspections</b>	286.00	0.00	300.00
<b>Payroll Expenses</b>	0.00		
<b>Employer Taxes Expense</b>	129.24		
<b>Wages Expense</b>	1,320.00		
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<b>Total Payroll Expenses</b>	1,449.24	0.00	18,000.00
<b>Office Supplies</b>	137.50	1,000.00	1,000.00
<b>Pest Control</b>	0.00	300.00	300.00
<b>Postage and Delivery</b>	460.56	2,000.00	2,000.00
<b>Printing and Reproduction</b>	162.35	1,000.00	1,000.00
<b>Professional Fees</b>			
<b>Accounting Expense</b>	3,289.50	4,800.00	4,800.00

<b>Consulting Fees</b>	300.00	500.00	500.00
<b>Audit</b>		3,500.00	3,500.00
<b>Tax Preparation</b>		1,200.00	1,200.00
<b>Legal Expense</b>	0.00	2,500.00	2,500.00
<b>Recording Fees</b>	0.00	50.00	50.00
<b>Registered Agent Services</b>	50.00		50.00
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<b>Total Professional Fees</b>	3,639.50	12,550.00	12,600.00
<b>Repairs and Maintenance</b>	1,214.84	1,670.00	4,200.00
<b>Security Expense</b>	522.58	250.00	750.00
<b>Small Tools and Equipment</b>	13.94		
<b>State Record Copy</b>		50.00	50.00
<b>Taxes - Property</b>	141.94	130.00	130.00
<b>Advertising</b>		50.00	50.00
<b>Supplies Expense</b>			
<b>Hospitality Supplies Expense</b>	94.86	1,200.00	1,200.00
<b>Pool Supplies Expense</b>	99.99		1,000.00
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<b>Total Supplies Expense</b>	194.85	1,200.00	2,200.00
<b>Utilities</b>			

<b>Broadband Expense</b>	66.41		
<b>Electricity Expense</b>	359.74	500.00	1,200.00
<b>Garbage Expense</b>	40.60	300.00	300.00
<b>Propane Expense</b>	358.62	500.00	2,700.00
<b>Telephone Expense</b>	256.16	500.00	500.00
<b>Water Expense</b>	51.42	350.00	250.00
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<b>Total Utilities</b>	1,132.95	2,150.00	4,950.00
<b>Website Expenses</b>	125.00	150.00	150.00
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<b>Total Expense</b>	22,811.51	59,100.00	80,405.00
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