



Willowsford
CONSERVANCY



Board of Trustees Meeting

January 28, 2025

5:30 p.m.

Boat House/Zoom





Agenda

- Welcome & Board Business
- Resident Comments
- 2025 Budget
- New Business
- Old Business
- Prior CapEx Update
- Finance Committee Update
- Executive Session

Opening & Board Business

- Approval of Agenda
- Approval of 12/9/24 Meeting Minutes

- Public Comment
 - Two minutes per speaker

2025 Budget

- Reflections on the Budget Process
- Operating Budget
- CapEx Budget Update
- Resident Committees
- Budget Process Changes

Conservancy Budget

2025 Operating Budget

- \$29.26 increase in assessments (5%)
 - *Represents a \$68k increase in budget over 2024*
 - *Earlier version of operating budget reduced by \$75k*

The 5% increase is solely for operational expenses, such as:

- Increases in material costs, such as lumber for trail improvements and increase in COGS (\$7k)
- Increases in the cost of health insurance benefits (14%) (on top of requiring more contributions from staff)
- Small cost of living adjustments
- Increases in utility costs
- Increases in vendor/service contracts (such as mowing of trails)
- More investment in pond management and wildlife monitoring to expand conservation work (\$23k increase)

2025 Operating Budget

- Professional services (such as accounting) down \$60k
- Farm maintenance is down
- Farm revenue up \$25k and land revenue up \$8k

	Total		Change in \$ 2024 Forecast vs 2025 Budget	% Change 2024 Forecast vs. 2025 Budget
	Forecast 24	Budget 25		
Total Revenue	\$ 2,008,607	\$ 2,085,216	\$ 76,609	4%
Total COGS	\$ 151,105	\$ 158,065	\$ 6,960	5%
Gross Profit	\$ 1,857,502	\$ 1,927,151	\$ 69,649	4%
Total Expenditures	\$ 1,877,567	\$ 1,925,993	\$ 48,426	3%
Net Operating Revenue	\$ (20,065)	\$ 1,158	\$ 21,222	

	Total			Change in \$ Forecast 2024 vs 2025	% Change Forecast 2024 Budget vs. 2025 Budget	Change in \$ Proposed 2024 vs 2025	% Change Proposed 2024 Budget vs. 2025 Budget	Notes
	Budget 24	Forecast 24	Budget 25					
Revenue								
4000 Revenue								
Total 4010 Grants/Contributions/Easement Revenue	582,500	50,000	22,150	-27,850	-56%	-560,350	-96%	\$50k actual is from NOVEC grant for Paddock Gate project; \$550k still to be withdrawn from Endowment pending donor approval (but already allocated per approved 2024 budget); still working with auditor on where to recognize \$300k from Easement
Total 4020 Conservancy Assessments & Fees	1,654,527	1,656,435	1,738,536	82,101	5%	84,009	5%	\$29.26 annual increase to balance budget (total assessment for year would be \$613.30). Also includes revenue from transfer fees from homes sales.
Total 4031 Farm Grown Product Revenue	160,000	175,272	185,000	9,728	6%	25,000	16%	Increase in Farm revenue based on trends from last two years
Total 4032 Purchased Goods Sales	47,750	87,950	85,625	-2,325	-3%	37,875	79%	2025 amount based on 2024 actuals but with fewer baked good sales
Total 4034 Other Farm Revenue	-4,000	-15,576	-11,000	4,576	-29%	-7,000		Farm credit card fees, discounts
Total 4030 Farm Revenue	233,750	247,646	259,625	11,979	5%	25,875	11%	Total for all categories above
Total 4500 Program & Events Revenue	20,540	13,148	15,730	2,582	20%	-4,810	-23%	Bonfire ticket sales, profit sharing for Nature Camp, and small fees for some programming
Total 4600 Land Revenue	16,200	15,960	24,000	8,041	50%	7,800	48%	Firewood sales, native plant sales, camping and amenity rentals
Total 4700 Lease Revenue	19,800	19,800	19,800	0	0%	0	0%	Revenue from agricultural land rent (\$600/year), outbuildings, and three tenant houses
Total 4800 Misc. Income	0	2,809	5,375	2,566	91%	5,375		Merchandise sales and small fundraisers
Total 4000 Revenue	2,527,317	2,008,607	2,085,216	76,609	4%	-442,101	-17%	
Total Revenue	2,527,317	2,008,607	2,085,216	76,609	4%	-442,101	-17%	
Cost of Goods Sold								
5000 Cost of Goods Sold								
Total 5100 COGS- Farm	66,500	71,085	70,200	-885	-1%	3,700	6%	Purchasing partner products and supplemental items such as fruit and some vegetables
Total 5200 Farm Production & General Exp.	43,000	29,022	31,400	2,378	8%	-11,600	-27%	Reduction in expenses for seeds, soil amendments, packaging, organic certification
Total 5310 COGS - Layer Costs	27,650	24,591	32,200	7,609	31%	4,550	16%	Purchasing new laying hens and feed
Total 5400 COGS - Land Stewardship	2,000	1,932	2,300	368	19%	300	15%	Purchasing firewood racks to resell
Total 5420 COG Native Plants	1,300	1,782	2,875	1,093	61%	1,575	121%	Purchasing production materials for native plant nursery
Total 5900 Seasonal Wages	7,925	14,659	15,890	1,231	8%	7,965	101%	Farm stand sales staff and one seasonal worker
Total 5000 Cost of Goods Sold	148,375	151,105	158,065	6,960	5%	9,690	7%	Total for all categories above
Gross Profit	2,378,942	1,857,502	1,927,151	69,649	4%	-451,791	-19%	

	Total			Change in \$ Forecast 2024 vs 2025	% Change Forecast 2024 Budget vs. 2025 Budget	Change in \$ Proposed 2024 vs 2025	% Change Proposed 2024 Budget vs. 2025 Budget	Notes
	Budget 24	Forecast 24	Budget 25					
Expenditures								
Total 6100 Maintenance	217,700	244,548	231,451	-13,097	-5%	13,751	6%	Repairs and maintenance for all existing buildings; all utilities; \$11,801 to HOA for annual Boat House reserve contribution, maintenance of existing vehicles and all equipment; purchasing on small equipment, tools and supplies
Total 6200 Land Stewardship	54,200	48,532	71,800	23,268	48%	17,600	32%	Reduction in tree work contract and all other items staying the same, but increase in wildlife management (\$1200 increase), invasive tree & plant removal (\$2k increase), and pond management allowing us to improve water quality with bubblers and improving fish stock in a few ponds (\$18k increase)
Total 6300 Programs, Classes, Events	18,542	18,770	20,322	1,552	8%	1,780	10%	Supplies and vendors for programs and events, including Nature Camp and Bonfire. Small increase due to bringing in some instructors to offer more varied programming especially on days when LCPS is closed
Total 7000 Payroll and Benefits	1,188,302	1,230,715	1,358,035	127,320	10%	169,733	14%	Increase is due to Business Manager position included for entire year (vs 2 months in 2024) and addition of part-time engagement staff starting late spring to staff Boat House Farm Stand for longer hours. Increase for existing staff is in line with COLA and performance-based increase similar to HOA. 14% increase in health insurance costs (partially deferred with staff contribution)
Total 7100 Employee Housing	16,400	38,349	12,100	-26,249	-68%	-4,300	-26%	Notable reduction in expenses
Total 7200 General & Administrative	53,716	58,326	58,940	614	1%	5,224	10%	Website maintenance (\$5k); Computer software (\$8k); subscriptions (\$5k), general office and related supplies, uniforms, etc
Total 7300 Professional Fees	84,664	103,597	43,000	-60,597	-58%	-41,664	-49%	Accounting fees greatly reduced with Business Manager joining team and reduction in legal fees
Total 7400 Travel & Staffing	8,900	10,395	13,300	2,905	28%	4,400	49%	Includes job postings for new positions, food for any staff trainings, meals for team meetings, and travel for two staff to attend a professional development-related conference
Total 7500 Other Expenses	9,250	5,507	6,100	593	11%	-3,150	-34%	Staff trainings, such as CPR/First Aid and other professional development trainings; conference registration for one conference
Total 7600 Marketing & Advertising	30,000	29,478	18,095	-11,383	-39%	-11,905	-40%	Marketing consultant time greatly reduced with new PT engagement staffperson joining late spring; also bringing graphic design in house as much as possible
Total 8000 Taxes	51,000	55,838	55,850	12	0%	4,850	10%	Personal property tax and real estate property taxes
Total 8100 Insurance	45,000	33,514	37,000	3,486	10%	-8,000	-18%	Efficiencies in 2024 actual insurance coverage will continue into 2025
Total Expenditures	1,777,674	1,877,567	1,925,993	48,426	3%	148,319	8%	
Net Operating Revenue	601,268	-20,065	1,158	21,222	-106%	-600,110	-100%	

CapEx Budget Update

CapEx Budget Update

- Staff worked with Board to reprioritize CapEx list funded by external or non-resident sources
- No resident assessment
- **What could be done to address most pressing needs in first few months of year?**
 - Health and safety
 - Staff efficiency
 - Analysis of future needs to inform business plans and feedback from Resident Committees then Board

Proposed CapEx – Phase 1

Land Stewardship CapEx

	<u>Jan-April 2025</u>	
Firewood Bays & Canopy	\$	11,000

2025 Operations CapEx

	<u>Jan-April 2025</u>	
Peach Orchard Tenant House Demo Outbuildings and landscape improvements	\$	15,000
Fix Bathroom and other small repairs	\$	35,000
Project Management	\$	6,000
Total	\$	56,000

Proposed CapEx – Phase 1

2025 Farm CapEx	
	Jan-April 2025
Phase I	
Health & Safety Repairs	\$ 15,000
Complete Egg Washing Room	\$ 27,000
Driveway - Civil	\$ 40,000
Driveway - Creek crossing & road	\$ 40,000
Architect	\$ 50,000
Project Management	\$ 18,000
Boat House Kitchen Retrofit	\$ 5,000
Total	\$ 195,000

** This table was edited on 1.30.25 after error found in summing*

Proposed CapEx – Phase 1

EXPENDITURES	Jan to April 2025
Farm	\$ 195,000
Land	\$ 11,000
Ops	\$ 56,000
Total	\$ 262,000

** This table was edited on 1.30.25 after error found in Farm table*

Resident Advisory Committees

- Establish two standing resident advisory committees:
 - **Agrihood Advisory Committee**
 - **Land & Habitat Advisory Committee**
- Motion tonight will commit to these committees, with more specifics and scopes to come at our March meeting.

Budget Process Changes

- A refined budget process is needed to provide certainty about the opportunities for feedback and to begin the process sooner.
- Motion will outline new process for future budgets; also includes language to codify improvements in sharing financial information with residents.

VERSION 1: Budget Forecast, Early October

VERSION 2: Draft Budget, Joint HOA/Conservancy Meeting, Mid-October

Dedicated Zoom Listening Session, Late October

VERSION 3: Updated Draft Budget, Late October/Early November

VERSION 4: Draft Budget for Conservancy Board Vote then Sent to HOA Board, Early November

Budget Approved: Process Complete
Budget Disapproved: Zoom Listening Session

VERSION 5: Refined Budget for HOA Action

Good Faith Negotiation Period If V5 Fails

New Business

- Board Member Updates
- Arbor Day Foundation Planting Funding Opportunity
- LIRA Grant Funding

Board Member Updates

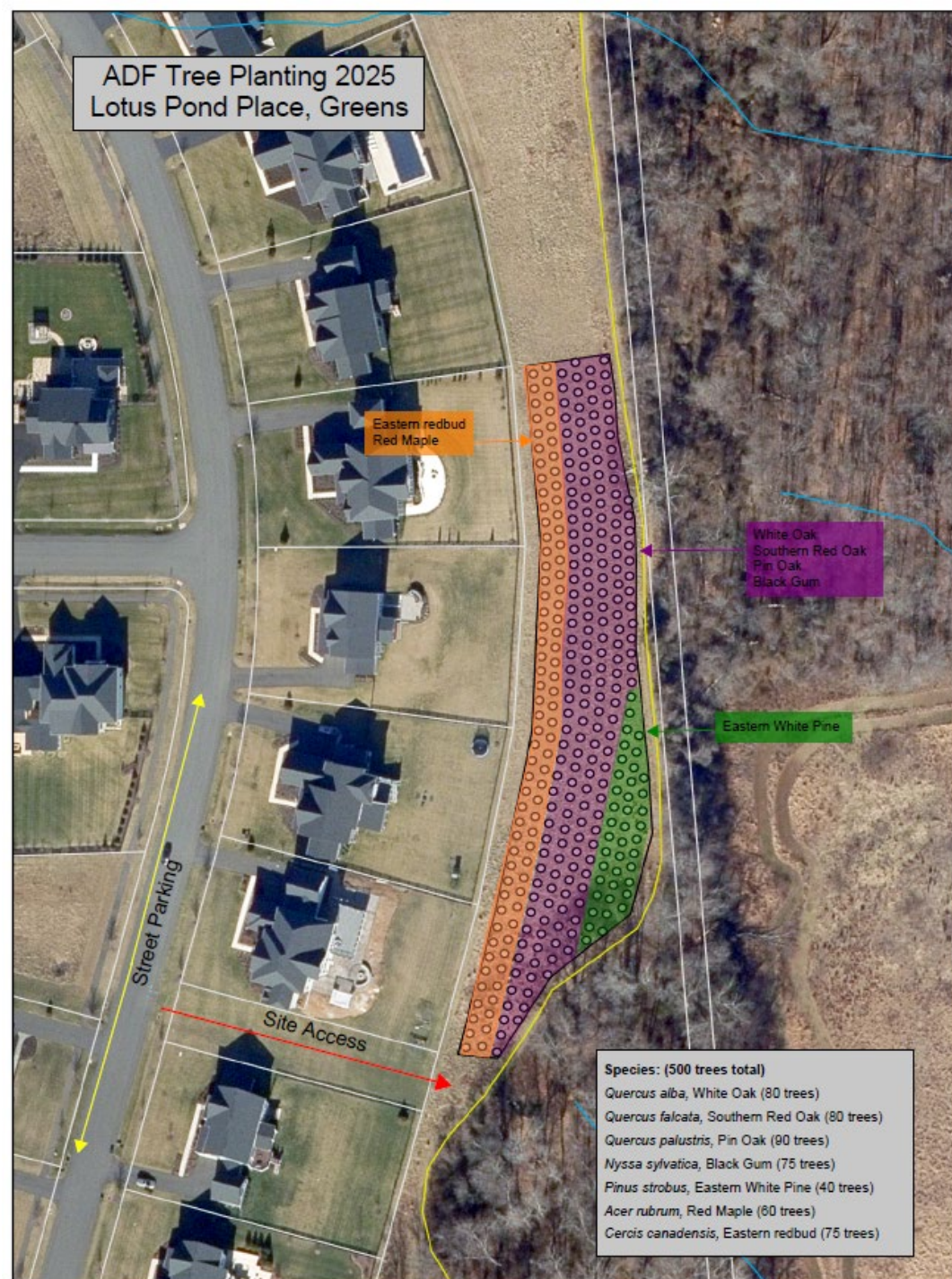
- Officer Status
- Departures
- New Board Member Process

Arbor Day Foundation Planting Grant

- We have an opportunity to apply for funding from ADF
- ADF is a nonprofit that provides trees to communities and also connects Corporate Partners to local planting opportunities to make an impact
- Corporate Partner: Amazon
- Volunteer Opp for residents & for employees

Arbor Day Foundation Planting Grant

- \$37k in funding
- Budget will also cover lunch, materials, soft costs
- We could plant 500 trees in a meadow by Lotus Pond Place
- Will serve as a buffer to future Dulles South Community Park



LIRA Grant Funding

- Loudoun County Board of Supervisors approved an Invasive Species Grant Removal Program.
- A grant process will be established in the coming months.
- Grants are up to \$150,000.
- Conservancy will apply when the application window opens.

Old Business

- Fleetwood North Easement
- Revising 2025 Meeting Dates
- PTO Annual Reset Date
- Purchasing Policy – Lien Waiver

Fleetwood North – Roundabout Easement



PRELIMINARY OFFSITE IMPROVEMENTS PLAN



EVERGREEN PRESERVE

Loudoun County, VA



Revising Board Meeting Dates

- Dates approved at 12/9 Meeting
 - January 28
 - March 25
 - May 27 – change since week of Memorial Day
 - Late April or May 29?
 - September 30 - Move earlier so shorter gap in summer and to better align with Revised 2026 Budget Process
 - Sept 9?
 - November 25 – Change since week of Thanksgiving and to better align with Revised 2026 Budget Process
 - Nov 4 or 6?

PTO Grace Period

- Proposal to change PTO Annual Reset Date
 - Currently PTO expires on 12/31 (with rollover allowed)
 - A change to 4/1 would acknowledge the seasonal nature of our employees' work

Purchasing Policy

	\$0-1,000		\$1,001-5,000		\$5,001-10,000		\$10,001-\$15,000		\$15,000+	
Expense or Annual Value of Contract	Budgeted	Not Budgeted	Budgeted	Not Budgeted	Budgeted	Not Budgeted	Budgeted	Not Budgeted	Budgeted	Not Budgeted
PURCHASING										
# of bids required	N/A	N/A	N/A	N/A	1 bid	1 bid	2 bids	2 bids	2 bids	3 bids
Pre-approval	N/A	N/A	Director or ED	Director or ED	Director or ED	ED	ED	Board Chair	Board Chair	Board Chair
APPROVING ESTIMATES/SIGNING CONTRACTS										
Pre-approval	Director or ED	Director or ED	Director or ED	ED	ED	ED	ED	Board Chair	ED (notify Board Chair)	Board Chair
Signing	Director or ED	Director or ED	Director or ED	Director or ED	ED	ED	ED	ED	ED	Board Chair
EMPLOYEE PERSONAL EXPENSE APPROVAL										
Pre-approval	Any purchases with a personal card/cash over \$250 must be pre-approved by ED (or by Board Chair for ED).									
Approval	Supervisor approves expense report and sends to ED and Business Manager for reimbursement to be added to payroll.									

- Pre approvals can be secured by email.
- Staff responsible for securing COIs with Conservancy listed as additionally insured when work is performed on Conservancy property over \$500 in cost.
- PMs for approved CapEx projects can approve expenses and sign contracts. If more than 20% variance then approval is needed.

Lien Waiver

Conditional lien waiver(s) (partial and final) are required for any work (e.g. a contractor performing a trade such as plumbing, painting, masonry, etc.), with an approved total value of \$5,000 or greater, for each payment(s). When each invoice is paid, a conditional partial payment lien waiver form will be required and a Final Conditional Lien Waiver form will be required with the invoice when the work is completed.

Prior CapEx Updates – Egg Washing Room

Construction well underway. Approved by board in 2024 as most pressing food safety issue at Farm (old egg washing room had two entry points. We have had no issues, but since one was interior it created risk for cross contamination). New space has only one exterior entry. Total cost \$27k.



November/YTD Financials

- Farm revenue higher than projected (strong Farm Stand sales at Boat House and online orders)
- Farm maintenance costs and other expenses down for month
- Land revenue nudged higher with pick up in Firewood sales and Hidden Meadow rentals
- Land maintenance costs and payroll slightly over budget
- Transfer fees higher than projected by \$12k – will exceed projection for year if December continues trend in sales
- Boat House HVAC repair costs high
- YTD – revenue ahead, maintenance costs down, professional services down (except Accounting), health benefits higher than expected



Executive Session