



Willowsford
CONSERVANCY



Board of Trustees Meeting

February 12, 2025

5:30 p.m.

Zoom





Agenda

- Opening
 - Introduce New Board Members
 - Approval of Agenda
 - Approval of 1/28/25 Minutes
 - Public Comment
- 2025 Budget
 - Proposed CapEx Phase 1
- New Business
 - Pursuit of 501c3 Status
- Finance Committee Update
- Executive Session

Opening & Board Business

- Introductions of New Board Members
- Approval of Agenda (*as amended to Zoom Only*)
- Approval of 1/28/25 Meeting Minutes

- Public Comment
 - Two minutes per speaker

CapEx Budget Update

- Staff worked with Board to reprioritize CapEx list funded by external or non-resident sources
- No resident assessment increase
- **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 Advisory Committees then Board

Proposed CapEx – Phase 1

Land Stewardship CapEx - Phase 1	
	Feb-April 2025
Firewood Bays & Canopy	\$ 11,000
Total	\$ 11,000

- Lack of storage for curing is impacting ability to stock sufficient firewood to meet demand
- If project is not completed in next month or so, we reduce revenue potential for the year
- Zoning application and construction in-house to minimize cost

Proposed CapEx – Phase 1

Operations CapEx - Phase 1

	Feb-April 2025	Notes			
Peach Orchard Tenant House					
Demo Outbuildings and landscape improvements	\$ 15,000	These buildings are in disrepair, pose safety risks, and are no longer needed for agricultural purposes			
Fix Bathroom and other small repairs	\$ 35,000	Repair water damage to bathroom and other small repairs to make home more livable since prefab modular home option is now deferred			
Project Management	\$ 6,000	1/4 of time for four months			
Total	\$ 56,000				

- Board-approved plan in 2024 for replacement of existing house with modest prefab modular house but deferred as a result of budget process in 2024.
- Demolition of outbuildings already approved/started in 2024. County permit took longer than expected. Contractor booked, so needs to be paid in 2025.
- Since we now need to retain existing house, small reno needed.

Proposed CapEx – Phase 1

Farm CapEx - Phase 1			
	Feb-April 2025	Notes	
Phase I			
Health & Safety Repairs Contingency	\$ 15,000	Address any additional urgent liability issues that may arise when old egg washing room is stabilized after old cooler removed since there might be water/mold damage	
Complete Egg Washing Room	\$ 27,000	Approved in 2024, but started in Fall (not invoiced yet) - addresses most pressing need for food safe-space	
Driveway - Civil	\$ 40,000	Topographic and civil survey and design of solution; in-kind floodplain analysis secured	
Driveway - Creek crossing & road	\$ 40,000	Construction of improvements to roadway and creek crossing (some labor provided in house)	
Architect	\$ 50,000	Contracted services to provide design options and potential costs of farm building renovation if project moves forward: need more accurate estimates	
Project Management	\$ 18,000	3/4 of time for Jan to April	
Total	\$ 190,000		

- Board approved Egg Washing Room in 2024. Work started in Fall – will wrap up in early March so needs to be paid in 2025.
- Driveway project critical – Civil includes wetland permit, topographic survey, and design of solution. Additional \$40k for construction of solution and passing location.
- Architect needed to provide potential siting options, potential renovation and to give firmer costs estimates for options.

Proposed CapEx – Phase 1

EXPENDITURES	Feb to April 2025
Land Stewardship	\$ 11,000
Operations	\$ 56,000
Farm	\$ 190,000
Total	\$ 257,000

- Potential Funding Sources:
 - Endowment Funds previously approved
 - Easement Funds
 - Cash on Hand
 - Reserves

Funding Source Already Approved

These projects were approved in 2024; carried over into 2025 (endowment withdrawal will cover these items) - No Vote Needed on Funding Source

Proposed Project	Amount	Approved Funding
Peach Orchard: Demo Outbuildings and landscape improvements	\$ 15,000	Endowment
Farm: Complete Egg Washing Room	\$ 27,000	Endowment
Project Management (Peach Orchard & Farm) - total \$24,000	\$ 21,075	Endowment (\$72k approved; balance from 2024)
Farm: Driveway - Civil - total \$40,000	\$ 22,231	Endowment (\$30k approved; balance from 2024)
Total	\$ 85,306	

Funding Source Needed – Option to Consider

Funding Source Needed

Proposed Project	Amount	Consider Endowment	Amount	Consider Easement	Amount	Consider Cash Reserves	Amount
Land: Firewood Bays & Canopy	\$ 11,000	Endowment	\$11,000				
Peach Orchard: Fix Bathroom and other small repairs	\$ 35,000	Endowment	\$35,000				
Project Management (Peach Orchard & Farm)	\$ 2,925	Endowment	\$2,925				
Farm: Health & Safety Repairs Contingency	\$ 15,000	Endowment	\$15,000				
Farm: Driveway - Civil	\$ 17,769	Endowment	\$17,769				
Farm: Driveway - Creek crossing & road	\$ 40,000	Endowment	\$40,000				
Farm: Architect	\$ 50,000	Endowment	\$20,000	Easement	\$30,000		
Total	\$ 171,694		\$ 141,694		\$ 30,000		\$ -

Board Approved Funding Sources

Funding Sources Approved

Proposed Project	Amount	Consider Endowment	Amount	Consider Easement	Amount	Consider Cash Reserves	Amount
Land: Firewood Bays & Canopy	\$ 11,000	Endowment	\$11,000				
Peach Orchard: Fix Bathroom and other small repairs	\$ 35,000	Endowment	\$35,000				
Project Management (Peach Orchard & Farm)	\$ 2,925	Endowment	\$2,925				
Farm: Health & Safety Repairs Contingency	\$ 15,000			Easement	\$15,000		
Farm: Driveway - Civil	\$ 17,769			Easement	\$17,769		
Farm: Driveway - Creek crossing & road	\$ 40,000			Easement	\$40,000		
Farm: Architect	\$ 50,000			Easement	\$50,000		
Total	\$ 171,694		\$ 48,925		\$ 122,769		\$ -

New Business: Pursuit of 501c3 Status

- Identified as a priority in the budget process
- Staff would like to research more and provide board with update in coming weeks for possible decision at March board meeting

December 2024 Financials

- Farmstand sales were down slightly compared to November but online sales were high but due to deferred revenue.
- Land Stewardship team purchased new log splitting and prescribed burn equipment (CapEx).
- Professional Services; accounting fees were lower and legal fees were higher
- Transfer fees were \$7,500 more than expected in December

Year-End 2024 Financials: Combined

(Numbers not final until Audit is complete)	2024 Actual	2024 Budget	Over/Under Budget	% of variance
Revenue	\$2,027,885.45	\$2,544,817	\$(516,931.55)	76.99%
Total Cost of Goods Sold	\$149,794.63	\$148,375.00	\$1,419.63	100.96%
Gross Profit	\$ 1,878,090.82	\$2,396,442.00	\$(518,351.18)	78.37%
Total Expenditures	\$ 1,841,775.87	\$1,795,635.76	\$46,140.11	102.57%
Net Operating Revenue	\$36,314.95	\$600,806.24	\$(564,491.29)	6.04%

Largest Expenditures

Total Payroll and Benefits	\$ 1,222,448.42	\$ 1,188,307.00	\$ 34,141.42	102.87%
Total Maintenance	\$ 224,407.00	\$ 235,200.04	\$ (10,793.04)	95.41%
Total Professional Fees	\$ 107,143.15	\$ 84,664.08	\$ 22,479.07	126.55%

- Note that the \$550k endowment withdrawal approved by board for CapEx is listed as revenue – auditor shared that it was previously recognized revenue so should NOT have been included, but no process exists to amend the budget.
- If that amount is removed, then **we exceeded revenue projection** by \$33k (mostly Farm & then Transfer Fees)
- Largest expenses were payroll, benefits, maintenance, and professional fees.
- Maintenance came in under budget.
- Hiring for vacant Business Manager role will reduce reliance on outside contractors and decrease professional fees.

Year-End 2024 Financials: Land

Revenue

	Actual	Budget	Over/Under Budget	% of Budget
4601 Amenities Revenue	3,919.50	3,200.00	719.50	122.48%
4603 Firewood Revenue	8,380.00	10,000.00	-1,620.00	83.80%
4604 Native Plants	3,708.50	3,000.00	708.50	123.62%

- Camping & Amenity Rentals (Hidden Meadow & Grant Campsite especially) and Native plant revenue were higher than expected.
- Would have sold more firewood however we were sold out. Additional bays being proposed will alleviate this issue.
- Business Manager is working with the team on the Native Plants program to improve efficiency, workflow, and sales.

Expenses

	Actual	Budget	Over/Under Budget	% of Budget
Total 6100 Maintenance	\$ 161,888.35	\$ 162,696.04	-\$ 807.69	99.50%

- Maintenance is the largest expenditure for land team – came in right on budget
 - NOVEC grant spending higher than budgeted due to higher watering costs for berm area (\$55k spend vs. \$50k budget) but project is on track per agreement
 - Grounds maintenance (trail mowing, etc) totaled \$50k
 - Vehicles/equipment maintenance was higher than expected due to aging stock (\$15k spend vs \$9k budget)
- Tree contract came \$23.5k under budget as fewer mature trees posing risk as land stabilizes

Year-End 2024 Financials: Farm

- **Farm income outperformed approved budget**
 - Custom shares increased 87% year over year (41 to 87)
 - Farm stand increased 40% year over year (\$39.7K to \$55.7K)
 - Overall online sales increased 22% year over year (\$228.7K to \$279.5K)
- **COGS were above budget for purchased in goods, but in proportion to sales of purchased in goods** – speaks well of inventory process, especially considering we maintain inventory in three separate locations
- **Farm production and general expenses came in under budget** – we have been maintaining & running down inventory, repairing tools, and using the chickens as our primary fertility
- **Layer expenses were lower than budgeted** due to keeping the hens on new ground with growing plants and better feed management
- **Maintenance costs were lower than budgeted** as our team worked to service existing equipment and tools

Year-End 2024 Financials: Operations

- Transfer fees outperformed budget
 - Predicted 85 sales with average sales price of \$1.42m
 - Fewer sales with 76 but higher average sales price of \$1.68m
- Professional services (legal, accounting) higher than budgeted due to unforeseen needs. Accounting will come down dramatically in 2025 with Business Manager joining team
- Repairs & maintenance higher than budgeted due to HVAC issues at Boat House