



Bassett Creek Watershed Management Commission

MEMO

To: BCWMC Commissioners and Alternates
From: Administrator Jester
Date: January 8, 2026

RE: Year-End Finances and Use of Special Project Funds

The Commission's 2025 budget includes a transfer of \$44,000 from the Special Projects Account intended to help balance the budget and bring the fund balance closer to the recommended 50% of annual operating expenses. As a reminder, the Special Project Account is a long-term account funded by investment income. Given the underbudget spending of general funds (i.e., administrative account) in 2025, the Commission should decide if the transfer of Special Project funding is warranted.

The 2025 year-end financial report is included in Item 4Bi. The report does not include the transfer of \$44,000 noted above. Although Commission income (not including investment income) was lower than budgeted, Commission expenses (not including special projects) were lower than budgeted by a wider margin: 2025 income was \$62,172 higher than expenses. While this is an unaudited figure, the resulting Commission's 2025 fund balance (not including investment income) is at least \$460,000, which is well within the recommended 50% of annual operating costs.

The originally budgeted transfer of \$44,000 from the Special Project Account would further increase the fund balance above the recommended 50% of annual operating costs and may not be warranted. Alternatively, a higher fund balance is likely to result in slightly lower city assessments in 2027. The Commission should decide whether to transfer the funds as budgeted (by approving Resolution 26-04) or to leave the funds in the Special Projects Account.