

## **WLLA FINANCE COMMITTEE: July Report**

Members: Carol Gillen (chair), Rich Pachler, Lena Fullem, Bill McCarthy, Mario Aieta, Rose Murphy & Barbara Silver

July 1, 2019 Phone Conference: Members in Attendance: Carol Gillen, Mario Aieta, Bill McCarthy & Rich Pachler

- I. Impact of bylaws rewrite was raised by Carol and discussed. Given inclusion of provision for the first time in our bylaws, how does this impact assessments Article III, Membership; Section B, Privileges, "A Member...shall have...the right...to access and use all properties of the Association including but not limited to boating facilities, beaches, boat landings, lake areas, fishing areas, picnic areas, tennis courts, basketball courts, bocce courts, clubhouse and any other amenities as determined by the Board of Directors and consistent with deed covenants."
  - A. Carol created a report that allocated these expenses at 100% to member (those who have the right to use have the obligation to pay) which produced an approximated need to increase member by \$164 assuming the same number of members (though a drop in membership would be expected).
  - B. Mario stated that since Lake is not described in the bylaws, the assumption of 100% of the beach costs is not warranted. The 2020 budget should be created with the 70:30 share (Lake:Member) of those costs (same as is currently employed in our Lake/Road/Member report). Bill agreed.
- II. Mario reported that he has read both the Huddleson v. Lake Watawga Property Owners case and a case that is its basis, Hess v. Barton Glen Club, Inc. researching a right-to-use Road fee.
- III. Other Budget Items: (the committee must provide direction for the next round of budget figures)
  - A. Projections for loan obligations given our current litigation – Project as if the loans remain intact per Mario.
  - B. Security – last year we budgeted \$15K as a company to patrol was being sought. Those dollars are largely intact to date in 2019. Bill & Mario both recommend \$25K for 2020.
- IV. Recommendations of lots for acquisition and consolidation – briefly discussed. More information is needed relative to carrying costs.
- V. Special Assessment: Carol suggested that we not recommend a special assessment for Road in July given the board's lack of appetite for same and the potential to recoup enough funds from Accounts Receivables.
- VI. Bill asked "how many people actually paid road." A report of participation (as of 6-23-19) had been created & shared with the committee 6-26-19 and the answer to this question was pulled from that same data. 73% of properties that are billed for road, had paid road assessments in full as of 6-23-19.

July 6, 2019 Meeting: Members in Attendance: Carol Gillen & Bill McCarthy plus members attending by phone: Lena Fullem, Mario Aieta & Rich Pachler

- I. Bank Statement Review
  - A. All Wayne Bank account statements and Treasurer's Reports for the month of May were emailed to the committee prior to the meeting. Rich requested assurance of protocol. 2 Warner Paving transactions are tested and documents reviewed with discussion as to procedures (Carol notes all authorization by the board at meetings in a bound book, a photocopy of that page is shared with Kathy immediately following each meeting, vouchers are completed by the providers with the approval of the chair of the corresponding committee sought by email which then gets printed and attached). Lena raised discussion of audit procedures. Zavada used test transactions as well for our recent audit.
  - B. Review & Acceptance is noted on the sign in sheet for the committee meeting.
- II. Bill requested that the committee debate the Special Assessment. Reports were provided to the committee July 6 and July 11 by Carol.
- III. Rules & Regulations committee will be taking up revision of that section of the Red Book next which will include time frame recommendations for assessments, arrears and beach tag modifications. The Finance Committee will submit its recommendations on these topics, including recommendation for a Jan 1 bill date. Carol will send a draft to our committee for review prior to submission.
- IV. Budget revisions will be sent to the committee by Carol in the hope of having it ready for the July BOD meeting.

MEETING ADJOURNED. Next meeting, Saturday, August 3 at 10:00am

*Post meeting follow up: The Finance Committee is actively engaged in ongoing work between sessions via email.*