

## WLLA FINANCE COMMITTEE: June Report

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

### June 1, 2019 Meeting

Members in Attendance: Carol Gillen, Carol Reynolds & Mario Aieta, with Lena Fullem & Rich Pachler by phone.

- I. Bank Statement Review
  - A. All Wayne Bank account statements and Treasurer's Reports for the month of April were emailed to the committee prior to the meeting. Review & Acceptance is noted on the sign in sheet for the committee meeting.
- II. Vanguard – BOD accepted our recommendation to put \$100,000 of Lake Reserve into a Vanguard Mutual Fund at its March 2019 meeting, and charged the Finance Committee with the selection of which fund.
  - A. The Prime Money Market Fund was selected & recommended to the board at the May meeting. Questions arose so no action was taken by the board at that time. **ACTION ITEM** for June's BOD meeting.
- III. Past Dues – the latest version of Kathy's Past Dues report is shared & balance sheets in both cash & accrual basis for discussion.
  - A. Balance Sheets: There are some anomalies present. Total Assets & Total Liabilities should be the same, but they are off by \$100. Carol G will follow up with Anne at Owens CPAs regarding "retained earnings" observed on the balance sheets. Mario advised that the board wants AR reported each month.
  - B. Our time table for accounts receivables needs revision. Waiting until April of the following year, the current criteria in the Red Book, is too long. Most of the properties that are past due are just reaching that time period. Mario advised that Rules & Regs is already working on this, including a change to a February due date.
  - C. Carol G. requests consideration of a monthly payment option for 2020 assessments (10 or 12 payments) to help keep property owners from falling behind with a monthly statement fee. \$5/month is suggested. Concerns are raised as to when would a property owner be considered late in that scenario, and review of the recently adopted Payment Plan for Arrears is considered for adaptation.
  - D. Bad debt should not be written off until there is absolutely no opportunity to collect. Once a distressed property is in the Tax Repository, our assessments are uncollectible. Bankruptcies are protected and once a foreclosure is final, we can only collect the last 6 months of the debt.
- IV. Tennis Court – a proposal was presented to the board by Beach & Grounds for \$11,400 for repairs at the May meeting. How can we fund it? There is not sufficient funding within the Member income/expense stream. There is active debate as to whether this scope of work is allowable for Capital Improvement Fund use. Carol G will follow up with Ray Zavada. However, there are not sufficient funds available in Capital

Improvement. It is bearing the interest & principal for much more extensive repairs to the tennis court done in 2013. Can the balance in checking be identified and then broken out by Lake/Road/Member? Carol G will send some reports to Lena for help.

V. Road –

- A. Carol G shared “Huddleson v. Lake Watawga Property Owners,” noting the similarities to Walker Lake. In this case, the property owner lived on municipal roads and had no deeded access to any of the common areas so the court found that she had no obligation to support common roads. If our property owners who reside on municipal roads have deeded access to beaches, boat landing, etc..., a right to use road fee might be supported by this case, and could be part of our 2020 budget. Mario will take it to the Legal Committee.
- B. There have been a couple of recent pressures from a couple of property owners (1 who we just filed with Judge Cooper; 1 past treasurer), arguing that undeveloped lots should be charged less. This does apply to Capital Improvement fees which are billed at half the rate as dictated by Planned Community Act, but is not part of our current assessment fee structure.

VI. Budget 2020: June due date for the Finance Committee to submit a budget to the board as per Red Book. Later in the year would be better.

- A. 2017 & 2018 Surplus Calculation reports were combined with the 2019 budget and the committee budget requests received from Road, Beach & Grounds and Lake.
- B. % participation information is requested.
- C. The finance committee would like more information from Road.
- D. The committee will continue to work by email and present at least a draft of our work in progress to the board at the June meeting. **ACTION ITEM**

VII. Playground – No cash donations should be solicited. It is recommended that no fundraising take place until such time as the board accepts this project. Carol G/Carol R will get a letter to Frank Riedl to clarify.

MEETING ADJOURNED. Next meeting, Saturday, July 7 at 10:00am

*Post meeting follow up:*

Carol G emailed the Tennis Court proposal to Ray Zavada and discussed by phone. Mr. Zavada suggested that he could see the argument both for and against the use of Capital Improvement Funds for this repair given the scope of work and the history of conflict within the community over the use of fees, suggesting that he really couldn't answer and that the determination would be something that should be debated by our board.