

**VLPOA BOARD of DIRECTORS**  
**Minutes of Work Session of November 16, 2009**

The meeting was called to order in the Yacht Club by President Sue Alandar at 1:00 p.m.

**Present were:** President Sue **Alandar**, Secretary Joe **McCord**, Treasurer Judy **Mabie**, Director Tony **Fiore** and Director Earl **Ewing**. Director Chet **Homan** arrived at 1:50 p.m.

**Also Present:** Community Manager Jack **Donovan**.

**Absent:** Vice-President Lori **Norris**.

The agenda for the meeting was discussion of the **2010 budget** as proposed by the **Finance Committee**. Present from the Finance Committee were Joe Broschka, Don Holtzee, Director Earl Ewing, Treasurer Judy Mabie and committee alternate Sue Alandar.

A copy of the budget proposed by the Finance Committee is attached.

Treasurer Judy Mabie pointed out that pursuant to the CC&R's, the assessments can be increased no more than 10% annually without an Association vote. She explained that the Finance Committee is very aware that most of our homeowners are on fixed incomes. She also pointed out that 67% of our budget is made up of fixed expenses, and that many accounts from this year are already over budget, including electric; refuse pickup; water; computers and computer hardware; office equipment lease; membership/magazine dues; permits, licenses and fees; postage, worker's compensation; maintenance by outside contractors; fitness equipment maintenance; lock replacement; concrete and cement; pool room upgrade; lake chemicals; welding; plant and shrub replacement; pool chemicals, and tree trimming, removal and replacement. The committee worked very hard to develop a reasonable budget for next year. \$1 of the Finance Committee's proposed \$2 assessment increase is for water and electricity alone.

Joe Broschka made a presentation regarding the Committee's proposal. He explained many of the details of the proposal, such as the need for \$7000 just to repair locks, and the necessary expense for maintenance of sidewalks. New account codes have been added to track such expenditures.

Sue Alandar pointed out an issue regarding the **proposed Reserve deposits**. The annual deposit would be \$144,000, the same as 2009, although the Reserve Study has scheduled a deposit of about \$185,000 for 2010. Further, a great deal of this \$144,000 is made up from transfer fees rather than from assessments, even though the intent of the CC&R's is that the transfer fees be put into reserves in **addition** to the assessed amount. President Alandar expressed concern about this being done, particularly in the face of the need for greater expenditures from the reserve fund than what is being proposed.

Judy Mabie pointed out the need for a Board member to be appointed to keep an eye on the reserve schedule to ensure that it is followed in the future. We will have to make more expenditures in 2010 because they were not made in 2008 and 2009. However, the money is available.

Joe McCord pointed out that legislation has been introduced in the past, and may be again, that would forbid homeowner associations to collect resale transfer fees.

There was discussion on water usage for the lakes. Dave Bracken pointed out problems from the past. If a meter does not work, the City will base its billing on the amount of water used in the previous year. Joe McCord noted he will talk to the city about a recent bill received.

Current low interest rates have an impact on our reserves. The Finance Committee has recommend putting some money from mature CD's in the Money Market account instead of immediately buying new CD's. The rate of return is about the same at present. This will give us some liquidity for necessary expenditures and also the ability to buy CD's at a higher interest rate as the market improves.

The Activities Fund is not supported by assessments. It is money collected from Activities. It is monitored by the Community Manager and reported to the Community, but is not actually part of our budget or financial picture.

The rate of assessment **nonpayment** is also an issue. Based on this year, we could lose about \$70,000 in unpaid assessments next year. That would make the "surplus" of \$16,485 shown at the bottom line of the 2010 proposed budget an actual **deficit** of \$54,000.

There was discussion on various ways to address this. Judy Mabie and Jack Donovan will review the letter that Colby sends to delinquent homeowners to see if it can be tweaked to encourage them to work with the Association.

The meeting was adjourned at 2:30 p.m.

Susan L. Alandar, President of the Board  
Ventana Lakes Property Owners Association