

## **MINUTES OF ECIA FINANCE COMMITTEE MEETING**

**Saturday, November 7, 2009 10:50am Railroad Room**

The meeting was called to order at 10:50 AM by Chair Dan Drobnis. Present were members Pat Bell, Gisela Knight, Bob Gaines, Todd Handy and Nolan Zisman, as well as GM Bill Donohue. Jean Stokes was absent. Bill Schwent, an Eldorado homeowner was also in attendance.

Item 1: The Agenda was amended to add "Installment Payments" under New Business. "Review of Financial Statements" was also added.

Item 2/3: There being no one for Public Forum, the minutes of the Oct 7, 2009 meeting were approved as submitted.

Item 4: General Manager's Report: Bill reported that the tour conducted by Fred Raznick, Chair of the Facilities and Grounds Committee went well and those from the Board and Finance Committee who did the walk-around were more appreciative of all the ECIA amenities and the requirements for maintaining them. A question was raised about the timing and funding of the pool replacement. Since the expected remaining life of the pool is not known, this will be logged as a future Open Action Item.

Item 5: There was no Board Liaison report. However, based on prior Board and FC discussions, the need for a thorough review of possible user fees for various amenities was reaffirmed. This will be an agenda item for the January meeting.

Item 6: As part of the October Financial Statement Review, a question was raised by Todd regarding the disparity between budget and actual stable revenues. The budget figure was determined to be overstated; actual revenues will be closer to \$11,000 than the \$18,500 budgeted amount. A review of how stable cash flow was offered by Bill, as follows:

1. Bill keeps a record of annual expenses that are outlined in the financials.
2. At the beginning of the new year he bills the Stable Committee for all expenses except stable area and road maintenance incurred in the prior year.

Based on 10 month actual for 2009 and expected additional expenses for one more round of manure removal, Bill anticipates 2009 year-end expenses will approximate the estimated stable revenue budget for 2010...\$18,500.

Bill reported 50 lot owners have not yet paid their 2009 assessments. Some of these will be collected by year-end so the 40 lot assumption used for next year's budget as an allowance for uncollected assessments should be fairly reliable.

Gisela suggested the "Contingency, Capital and Reserves" schedule is an inappropriate place to report operating expense projects. She proposed including the Operating Expense projects in the monthly income statements in order to get a truer picture of operations and net operating income. Pat suggested that rather than listing each such project in the income statements, the total project amount be reported as one line item in the income statements and an addendum table be submitted itemizing the operating projects. Bill will work up a revised income statement for further discussion. Open Action Item.

At the request of the Finance Committee, Bill will provide a breakdown of wages into various work categories for review at the next meeting. It is perceived this will help determine appropriate cost bases in our user fee discussions next year.

Open Action Item.

Item 8: Under New Business Nolan expressed empathy for fixed income residents who may

have trouble paying the \$60 higher assessment next year because of the freeze on Social Security increases. He suggested consideration be given to offering installment payments with the added expenses covered by a surcharge (similar to the one recommended for credit card payments). Bill and Dan both feel installment processing would be an undue burden on staff. Bill then reported he already offers lot owners who have not paid in March the option of "working with the ECIA" to get their assessments paid. It was agreed that this "message" would be placed in the first reminder notice to those not paying by March 1.

Items /9/10: There being no further business, the meeting was adjourned at 11:55 AM. The next meeting will be Wednesday, Jan. 6, 2010 at 9:30AM .