

MINUTES OF ECIA FINANCE COMMITTEE

JULY 9, 2008

--The meeting was **called to order** by Chair, Dan Drobnis, at 9:32AM. Also in **attendance** were members Bob Gaines, Alan McQuiston, Jean Stokes, Dee Cooper, Pat Bell and Nolan Zisman. Bill Donohue and Ed Moreno attended, representing the ECIA Staff and Board. Gisela Knight was an excused absentee.

--There being no one from the outside, the **Public Forum** was not held. The **minutes of June 11, 2008, meeting** were approved as submitted. The **June financials** were reviewed and accepted without discussion.

--The **General Manager's report** was presented by Bill. He advised the operating budget for 2009 should be roughly the same as 2008, but with anticipated higher expenses for water since the issue of getting accurate, predictable bills from the water utility was still not resolved. Bill was able to verify in Article 5 of the covenants that assessments can be increased only once every two years. The next time this can occur is 2010. In the meanwhile, Dan will do further research to determine if there are any restrictions as to the amount of increase in assessments. Bill reported the Board has authorized an expenditure of up to \$5,000 for an improvement location study of the ECIA community center infrastructure. The RFP will be finalized at the next F&G Committee meeting for Bill to send to potential bidders. The ECIA also approved the proposed 2009 Budget Calendar. Bill will have a draft 2009 Operating Budget for FC review at the August 13 meeting.

--Ed presented the **Board Liaison report**. Regarding the current RV arbitration matter, the Board established an expense upper limit of \$12,000. Tom Miller contacted David McPherson of the Eldorado Community Church to advise the matter of the proposed multi-purpose building was being tabled until ECIA studies have been completed and a rationale for either proceeding or denying the project had been determined. The Facilities and Grounds Committee is to continue with its requirements gathering and cost estimating efforts, then refer it to the Finance Committee to determine the feasibility and means of financing this project.

--The FC, faced with the task of determining the extent and means of increasing assessments to cover future costs, next discussed the **Replacement Reserve Schedule**. Besides actual constant dollar costs of the various assets there is the need to include future inflation. The Schedule now assumes a 3% annual increase. There was a question as to whether the target end-of-year reserve was adopted at \$250,000 or \$300,000. Pat will research past meeting minutes to see if this is indicated. Dan distributed a spreadsheet that calculated the amount of funds needing to be added to the Replacement Reserve each year to achieve the target level. The FC recommended Bill use \$60,000 for 2009. Ed reminded the group that the Board is looking for tracking data on how much of the planned repair/replacement schedule is actually spent and the extent to which the timing of actual expenses matches the planned timing. They are also interested in knowing the cost of various amenities on a per lot basis. Pat suggested a column be added to the Schedule the next time it is reviewed. Alan suggested the Board consider adopting a policy and communicate it to the lot owners that, due to ongoing inflation, the community could expect assessments to increase by up to x % every two years with the actual amount announced a few months prior to the assessment year.

--There being no **Other Business** the **next meeting** is scheduled for Aug. 13; the meeting was **adjourned** at 10:45.