

MINUTES OF ECIA FINANCE COMMITTEE MEETING

September 2, 2009 9:30am ECIA Board Room

The meeting was called to order at 9:30 AM by Chair Dan Drobnis. Present were members Pat Bell, Gisela Knight, Bob Gaines and Nolan Zisman, as well as GM Bill Donohue, Liaison Ed Moreno and Board member Sandy MacGregor. Jean Stokes was an excused absence. Todd Handy was in attendance for his 3rd meeting; he was unanimously nominated by the FC for full membership. SuAnne and Doug Armstrong were present to discuss the Stable Committee Capital Project Request.

Item 1: The Agenda was adopted as distributed.

Item 2/3: There was no one for Public Forum. The minutes of the August 3, 2009 meeting were approved as submitted.

Item 4: The August Financial Reports were reviewed. Bill advised that owners of 83 lots have yet to pay their assessments. Lien notices have been sent out. For some reason project expenses for web site development were reported in the Jan-Aug report but not in the Jan-Dec report. Bill will have Debby investigate.

Item 5a: General Manager's Report:

- Unexpected Expense: The pressure tanks for the well pump have failed. They need to be replaced and some additional work is required to make the new ones work properly, last their full expected life, and make the well house safer. The estimated cost to perform this work is about \$4,500. There is \$1,700 in the R&R schedule in 2011 for replacing the pressure tanks which should be moved forward to 2009. The balance of \$2,800 would come out of contingency. The FC voted 4-0-0 to recommend these actions to the Board.

- Possible Security Changes: There are concerns over the consistency and quality of service being provided by our existing vendor. Bill envisions establishing our own "Eldorado Community Services" staff which would perform all the duties of the existing vendor as well as additional services on an "as needed basis". He believes the total cost of providing an equipped 3-person team (one full-time and two part-time) of people living in or adjacent to Eldorado, including car, uniforms, training, etc., with about double the existing "visibility", would cost about the same as we are now paying the 3rd party service provider. Care will be taken to position the functions of the new ECIA staff so that residents understand that the ECIA does not provide security services for individual residences within the community. Bill will approach the Board with this concept and, if there is concurrence, will develop detail costs and service scope and job descriptions for subsequent analysis by the FC.

- Extended Pool Season: Most of the lifeguards have given notice. Bill is trying to secure staffing for about 8 hours per day on the weekends until the end of September. Even if this happens, projected pool expenses should come in close to budget. If it does happen, Bill will arrange for posting in the Hot News section of the web site and on the marquee(s).

Item 5b: As Ed had to leave early Sandy gave the Board Liaison Report. He mentioned the Board wants the FC to determine what assessment levels will be needed if we change them in 2010 and 2012 versus establishing the same charge to cover our needs from 2010 to 2013. He also indicated the Board decided to leave the Vistas program as is for 2010 (i.e., 12 issues, eight pages, two-color).

Item 6: Capital Project Request: Stable Committee

SuAnne and Doug Armstrong made a comprehensive and well received presentation of their

proposal for additional fencing and an automatic main gate to completely secure the stable compound. The FC suggested there be two separate projects as follows:

1. Close existing gaps in perimeter fencing- - This would involve installing either T- or cedar posts with 4 strand barbless wire at a cost of between \$3300 and \$3800, not including tax, but including insertion of 3 new walk-through gates. One would be a pedestrian gate on Av.Eldorado; the other two would provide access to the horse paths without having to use the main gate. The FC voted 4-0-0 to recommend to the Board the early completion of this project at a budgeted amount not to exceed \$4,100 (to include tax and a small contingency).
2. Continue to investigate installation of an electric gate at the main entrance- - the Armstrongs estimate as many as 200 open/close cycles per day for this point. Preliminary cost estimates run anywhere from \$7,000 to \$9,000, depending on the type and design of the gate. The FC recommended (4-0-0) remanding this project back to the Stable Committee for further analysis of alternatives and costs. The FC also recommends the Stable Committee adopt a policy of keeping the main gate closed at all times, except perhaps during the normal twice-per-day feeding periods.

Item 7a: 2nd Draft of 2010 Operation Budget: The new draft was briefly reviewed. The only anticipated operating expense not shown was \$2,000 for F&G use for a survey and/or software to develop a digitized data base of our existing facilities and grounds which would permit alternative "what-if" scenario analyses. The assumed assessment fee was \$280. After discussion of the unpaid assessments it was decided (4-0-0) to establish a new line revenue line item, associated with General Assessments, to set up an "Allowance for Uncollected Assessments", the initial value of which would be the established assessment rate x 40 lots.

Item 7b: Assessment Recommendations: Dan distributed a "back of the envelope" projection of expenses using the average annual increase in budgeted expenses from 2003 to 2009 as basis for projecting 2010 to 2013. For revenues he used budgeted amounts from 2003 to 2009 to determine historical margins. For the "two-year" scenario he used \$280 for the 2010-11 and \$300 for 2012-2013. For the "four-year" scenario he used \$295 for each of the four years. The resulting calculations show an 2010-2013 cumulative margin of \$137,100 for the "two-year" scenario and \$156,200 for the "four-year" alternative. This produces an average annual margin of \$ 34,300 and \$ \$39,000 respectively. A discussion of possible capital reserve requirements was then held. Nolan, as a member of the F&G Committee indicated that this group was working hard to develop a 5-year plan of capital projects and felt, based on what had been discussed thus far, there would be a need for a possible \$50,000 per year for the next couple of years (key items being rebuilding the tennis courts and a landscaping strategy to protect existing trees and shrubs and beautify the community center grounds (the latter item could involve a combination of capital and operating dollars). Because of the additional "Allowance for Uncollected Assessments, the FC suggested to Sandy that the Board be advised the minimum assessment rate for 2010-11 be \$285/year with the possibility of additional amounts justified for 2012-13.

Items 8/9/10: There being no other business, the meeting was adjourned at 11:45AM. The next two meetings will be Tuesday, Sept. 15 at 7PM and Wed., Oct 7 at 9:30AM.