

Concerned Members report and comments on the board meeting of SLPPOA- Oct. 14, 2014

NOTE: this is not the annual meeting minutes that the board is responsible for producing

Authors comments about the meeting:

- Back to the bylaws to replace Roberts Rules of Order? *RRO quorum requirements invalidated the annual meeting official business, but offered more member participation, if the ruling would have been properly observed by the Board. Bylaws state that members can speak only if the President gives them permission!!!*
- The Board admits that financials are hard to understand. *About time they recognize how difficult these reports are to understand, especially when there is no background data.*
- The delinquency amount is still high - \$15, 525.
- The budget decisions disregarded a commitment for funding the long overdue audit bylaw requirements. *Does the Board understand the importance of an audit?*
- Board members declared that anyone can do an audit, so it was suggested that an ad hoc committee of “qualified” members will be selected to perform this task. *If anyone can do it, why a need for qualifications?*

Meeting was called to order at 7:17 pm by President Joe Brophy. Board members in attendance were Ms. Kilburg, Ms. Fredlund, Mr. Ververka, Mr. Nyhan, Ms. Ballman, Mr. Otero, Mr. Downing.

Mr. Bennett absent.

Guests: Ms. Star, Mr. and Ms. Moore, Ms. Otero, Ms. Sowder, and Ms. Schacht and kids.

Agenda reviewed -- Brophy states that there will be new wording concerning the agenda item for the rules the Board will adopt as standards for business meetings for next year, based on the challenges received. Brophy stated that future meetings would use the rules in the bylaws rather than Roberts Rules of Order.

Minutes of Sept 9 meeting accepted and approved with corrections.

Nyhan commented that he was going to do some work on the bylaws last year but wasn't able to do it. He suggested that it would be good to assign someone to work on a bylaw rewrite. A committee, if it is convened, would have to work with the legal chair. With all the things that the Board has to do, the bylaws have never been a priority. *But this subject came up numerous times during the meeting.*

Nyhan stated that due to the extreme criticism about the treasurer's work it would be prudent to hire someone trained in accounting to take over some of the treasurer's duties. Ballman suggested that she could help with those duties. No further discussion or follow

up.

Election of chairs:

President: Bennett

Vice president: Veverka

Secretary: Ballman

Treasurer: Kilburg

Legal: Brophy

Water Maintenance: Veverka

Water Compliance: Nyhan

Roads: Downing

Firewise: Fredlund

Community Relations: Nyhan

Architectural: Otero

Parks: Otero

Officers Reports:

Secretary/Treasurer:

Balance sheet: Account balances

Operating Account - \$73,630

Reserve - \$61,817.71

Special Assessment - \$2,732.18

Bills paid:

Electricity was very high – for 3 months it hit the \$1,000 mark.

More expense because of higher utility costs and it's time to turn the well house heaters on for the winter.

Receivables = \$113,957

The totals exceeds the budgeted amount of \$106,950 by about \$7,000 due to the extra money collected recently from late fees, past due accounts (3 foreclosures), and new member fees. The lion share is from money received from the foreclosures.

Brophy requested a better breakdown of the numbers.

Brophy questioned some of the amounts, and Kilburg stated she needed to go back to the books to answer some of his questions.

The confusion seems to be in the way our billing and fiscal years are set up. Some start at the beginning of the calendar year, some coincide with the billing cycle. Kilburg suggested she would rearrange the profit and loss cycle and date the front page of reports for easier reading.

Total delinquent amounts:

Annual dues - \$8,005.58

Special assessment -\$7,519.59

Total: \$15,525.17

Uncollectible -- One property has been in foreclosure for the last 3 years. Letter sent for inquiry. Had a call from the bank a long time ago, but haven't heard anything recently. Kilburg spoke with the parents-they said the property was going into foreclosure. She quit sending invoices, and then she has started to send invoices again.

This property owes

\$2,948 for annual dues

\$1,378 for special assessment

Total is \$4,327.74

The Board will speak more about these issues during the executive session.

Without the foreclosure, the delinquency amount is \$11,197.

Several delinquencies have been turned over to attorney, and 5 homeowners are making monthly payments. The Board is making progress on this issue.

Water Maintenance:

Water meters report from Harold – not available.

Veverka reported 3 new master meters were installed for the wells. In the future we need to consider buying them new or taking them in for re-calibration.

He recently found a substantial leak in system 1 in the Aspen Grove pump house. There was a leak in the pipe. Water collected in the pump house until it shorted out electrical instruments. Expect that the Isaacs controller may need to be reset at the pole.

Talked with American Leak Detection. If the Board hires the leak detection company for association work, the leak detection company could inspect for leaks on individual properties for \$350/ea. Veverka suggested to do it in the spring. Nyhan disagrees because we are leaking too much and shouldn't put it off. The meadow is still suspect. *However in a later discussion, Nyhan points out that our meters/gauges may not be accurately calibrated and the numbers may be wrong.*

It was suggested to put out a letter to ask the properties showing leaks if they are interested in hiring American Leak Detection when they come to SLP. It was also suggested that they perform the leak detection operation on system 2 next year.

Water Compliance:

Nyhan states that it is a state requirement that water gauges be recalibrated every few years. He stated that maybe the water gauges are wrong and the leaks may not be as bad as we suspect. He states that we are getting closer to over-allocating our water rights every year.

He states that we are due for another sanitary survey and that he has tried to put the state off until we are up to code. He claims 17 – 18 deficiencies in the past were not addressed. Some of the fixes for deficiencies have been complete. Well head locks with 18-inch extensions were put on the Aspen well; this is a security issue and prevents anyone from poisoning our water supply. He also installed fencing around the well heads. Next inspection is Oct. 21, 2014.

Firewise:

Electricity will be installed in the shed. Question about emergency exit road. High Road looks good. Road is cleared. However, entrance at High Road is a problem.

Roads:

Brophy will work with Downing and Martin Crane on the snow plow contract. Martin still has the sander. Brophy wants to get it back. A suggestion was made to negotiate with Thompson Ridge for sander use.

Legal:

No outstanding issues but mention of the aging report.

Community Relations: no report

Architectural: no report

Parks:

The Schacht family volunteered to help make trails connected to the parks. Need to review and get approval of the plans with the Board before this begins.

Old Business:

Water operator amount and status resolved. Naranjo requested a statement for his pro-bono services so he could file for a tax write off. Brophy will write the statement.

Bennett suggested that we hire a contractor to repair the shed's roof. Other work is needed on the Aspen well drain. Estimate \$400 for the shed. Does not include materials. Labor \$35/hr. Materials cost + 20%. Didn't mention the person. Fredlund asked if the person was bonded and insured. Nyhan stated that he thought so because this person has his own business.

A monetary cap of \$5,000 was put on these maintenance repairs. Brophy asked if the Board would be assured to get monthly statements.

Someone asked that Steve Burnworth be added to our list of contacts.

New Business:

Budget allocations: *Copy of the budget was not distributed so some of the categories were not mentioned.*

Water: Budget reduced to \$42,990 from \$49,690 This year spent only \$19,183. They suggest that the rollover of the water budget from this year (approx \$52,000) would be sufficient to handle any other problems next year including inspection of the tanks.

Water operator: Also a considerable under run of water operator expenses has been helpful.

Roads: Same as last year - \$27500. \$17,100 for snow and \$10,400 for maintenance. \$18,164 still available but they have not paid for snow removal yet this year. Didn't use all of the snow money last winter so used it on maintenance this year.

Electricity, Administrative, Insurance, and Travel:

Same as last year.

Legal: Budget increased from \$3,000 to \$7,000.

The Board passed the proposed 2015 budget. *It does not include money for an audit.*

Audit Discussion and Path Forward:

The Board agreed that they had the right to interpret the bylaws with regard to the audit. They cited Attorney Hays as agreeing with them in their decision.

It was stated that an ad hoc volunteer committee made up of 5 members outside the Board and appointed by the Board (or was it the President?) could assume the responsibility of “auditing” the books. Brophy disputed the \$3,000 for an audit, and Kilburg suggested that McKinney didn’t do an audit in 2009 but a review. She stated that “anyone can do an audit” and she stated that Sunland agreed. An auditor doesn’t have to be a CPA.

Brophy stated because we are a nonprofit and we file appropriate nonprofit corp tax returns and we have only a \$106,950 budget so we shouldn’t consider spending \$10,000 on an audit. The Board all agreed that the bylaws are difficult to interpret. He agreed that using Sunland Mgt is above and beyond what the Board needs to do for the Association.

Brophy stated he didn’t like the audit of 2009. He suggested McKinney’s audit was a review. They stated they have had legal consultation; Attorney Hays agreed that the bylaws say two different things. (*however they have never produced a legal reading from Hays to confirm his actual statement*).

Discussions ensued about whether the proposed ad hoc committee members would have full access to all records. The issue of personal information was brought up by Nyhan and Fredlund and debated. Kilburg stated they could have access to all the books and records except computer or personal records. She stated that auditors do not look at delinquencies.

It was suggested that the audit committee members would have to sign a confidentiality statement promising not to disclose personal information and that they would have to show qualifications and some experience in auditing, bookkeeping and/or accounting. Downing wondered if we could find this kind of expertise in the membership. *So what happened to “anyone can do it?”*

Kilburg stated they did something like this ~~it~~ once in the past. *No mention of when or how it was initiated or the results.*

The Board agreed that many accountants produce glorified reviews. Kilburg suggested that audit and reviews etc overlap. It was suggested that we should rewrite the bylaws to get around this issue.

Kilburg suggested that by using Sunland the membership should be confident that the Board is going above and beyond the call of duty and the bylaws. She stated that the Board voted and unanimously passed her recommendation to use Sunland to review the books.

(We have found no evidence thus far in the past minutes)

Brophy said he wanted to resolve this issue. He angrily stated that he is tired of the bad press from some members and that getting an audit has never been an issue in the past. He suggests that statements from members are malicious and unfounded regarding the efforts of the Board. He calls these allegations slander and libel. The Board agreed.

It was decided to continue with Sunland until the bylaws are change. Kilburg suggested to table the issue and discuss it more in Nov. She also stated that Sunland has the word "audit" in many places on its checklists. *However he claims "unaudited" on the statements that are posted for the members.*

It was suggested that an audit should have been done before Judy took over 3 years ago. That was also agreed.

Reporting on Delinquent Accounts:

Discussion about posting standards for the delinquent accounts was tabled until the Nov. meeting. Nyhan keeps wanting it to be simplified. Fredlund argued for more info. Kilburg constructed an example that will be discussed again in Nov.

Sunland is suggesting that we write off an uncollectible. A statement was made that all delinquent property owners get liens filed however in the next sentence that liens are not filed on everyone.

Suzanne Star's request for agenda time was postponed until Nov.
Her concerns which were email to the Board to be addressed at the Oct meeting:

The Board voted to follow Roberts Rules of Order in March. RRO has specific rules for parliamentary procedure which include how official business in meetings is conducted, and what criteria (such as a need for quorum) are required.

My concern is that by voting to follow RRO, the Board has set a new precedent (not business as usual) for rules to conduct meetings. Your response suggests that you are following some Roberts rules which appear to limit full participation by members, but don't follow others such as Roberts rules pertaining to quorum (in person/by proxy), to conduct official business. For example, at the annual meeting you stated that no official business could take place because of the absence of a quorum of members, but proceeded to accept a motion regarding revisions to the minutes which was voted on, nominate a candidate for the Board from the floor and, at the end of the meeting, to count ballots (all official business activities of the meeting).

According to RRO, without a quorum, no official business can be legally conducted. I do not agree with the Board's inconsistent application of RRO to suit its preference. It would be appreciated if you would clearly communicate to the members, and follow uniformly, the RRO meeting rules and procedures.

Open meeting closed. 9:45
Executive session opened.

Cars dispersed 10:45
[ss/mm]