

## Concerned Members report and comments on the Board meeting of SLPPOA – Feb. 11, 2015

*NOTE: this is not the official Board meeting minutes that the Board is responsible for producing*

Authors notes and comments:

- Carryover, it is now stated, exists most years depending on whether funds exceed or are not sufficient to cover expenses. *This has been a topic of interest to us and until now was sidestepped. We still don't know for sure what the accumulated carryover is, but suspect it is greater than the amount reported for 2014.*
- This year's special assessment is currently reported as a shortfall, *however the assessment is not due or payable yet. How many members are currently delinquent on the special assessment may be a factor in the funds available for project completion. We would like to know this information before blaming the problem on the initial project estimates.*
- Past due system drinking water tank inspections are finally being initiated. *Only one bid was discussed, and we question why 3 bids are not being pursued as has been Board policy in the past. From our knowledge, the past contractor that provided services on system 2 tanks in 2009 suggested a remote operating vehicle (ROV) to access tanks for inspection if manual access was difficult. We think other bids are necessary to ensure we are not subjecting the Association to unnecessary costs.*
- The Los Griegos Road, despite 80% of the money being spent on it, is still problematic. *We contend that building up the base without an engineering study and without proper water run off mitigation is wasting money. Until the Board gets serious about road maintenance, the Association will continue to throw away money every year to fix an unfixable road. This situation has been suggested by a former road contractor.*
- The policy requiring a week's notice before being allowed to speak at meetings was on display. *Since this policy hasn't been thoroughly promulgated, a member showed up at the meeting with legitimate questions about the condition of his road. Since he didn't know that he had to seek permission to speak a week before the meeting, a rather embarrassing moment occurred as the President struggled to decide whether to allow the homeowner to speak. Also in the audience was another member who had last month been disallowed to speak because of this policy. Maybe it is a bad policy, or if it is to be administered fairly, it should be featured prominently on the SLP website or announced in a newsletter.*
- The Board is contemplating a question and answer session before Board meetings with members to improve communications. *We think instead of creating a special session, the Board should allow members a Q & A session during the meeting where it would do the most good.*
- A Hardship Policy that was initiated in 2014 will finally be posted on the web. *We hope those members who are in need will find it before March 31. We wonder why they haven't thought about announcing this in a newsletter.*
- Another request for a more specific delinquency report was requested. *The Board put off a decision on the issue. Understanding our delinquency problem is every member's right as it details what our Board is doing to ensure that monies for services are collected fairly from all. It*

*also is a measure of the Association's financial health. It also is important to see what each delinquency cost the Association every year in legal fees and what amounts owed have been written off, without member knowledge.*

### **Feb 2015 meeting call to order 7:18**

Board members present: Bennett, Fredlund, Brophy, Kilburg, Nyhan, Downing, Ballman, Veverka  
Absent member: Otero

Guests: Star, Moore, Shurter, Van Ruyckevelt, Corn, Schacht and family, Heintschel and Lisko

Agenda approved. Minutes - approved

### Reports

#### Treasurer:

Operating Account – \$140,992

Reserve - \$61,832

Special Assessment -\$18,544

Delinquent Status - 9 properties outstanding, and 2 properties considered uncollectible.

Collection reported possible on 7 of the 9 properties. Four of these are not making payments. Three are on payment plans, and one of these is not keeping up with the payments. This last issue has been turned over to the attorney.

#### Delinquent Amounts

Annual Dues - \$5.8K

Special Assessment - \$5.3K

Total - \$ 11,132.99 still due from last year

36 residents still have not paid in full or owe partially for their 2015 annual dues.

The 2014 end of year carryover was \$24,784. A determination was not made whether the money will stay in the operating account or be allocated somewhere else.

It was claimed that the CMSLPPOA website posted false info on bank balances. *It was not specifically noted what about the CMSLPPOA website was being falsely reported. Our information is based on what we hear at the meetings. Without being able to question the numbers when they are presented, we have no way to verify the accuracy of the numbers.*

To set the story straight, a board member reported on the following:

- The Board is required to establish a budget every Oct for the upcoming year. *We expect that a budget would be based on past years expenses, so that any increases in assessments can be justified. Carryover, or insufficient funds, may indicate that budget planning is not reviewed thoroughly each year.*
- Money not expended is considered carryover for the year. Some years there is carryover, some years there is a shortage.
- Retained Earnings definition - the Treasurer tried to define the meaning of retained earnings, a category reported on in monthly financial statements. *None of us at the meeting understood her definition. However, we've had questions about the elements that make up this item and whether this*

*element is a proper accounting presentation for a non-profit, so we are anxious to read what is stated about this topic in the official minutes.*

- Individual bank statements are posted in the minutes. *We have seen no bank statements posted in the minutes. We only see what the Treasurer says are the figures in the bank statements.*

It was reported that there is a new owner in the Association on Los Griegos.

#### Water:

There was no problem with maintenance. The broke chlorinator was fixed; it was under warranty. Water sampling will be done.

The Levelcon device may be repaired for ~\$400, or a new \$730 device that works from cell reception is being considered. The new device was tested and cell reception was weak; however SLPPOA will be given a loaner before we buy to see if it will work before purchase.

The new device for reporting on the tank levels is thought to be better because lightning damages our surge protectors and must be replaced every year. This new device runs on D-cell batteries with a 3 year life. It was also suggested that the current satellite costs of \$45 would fall to \$15 with a cell receiver.

#### Meter can installation update:

2015 will be the 3<sup>rd</sup> year and last year of the project.

Labor estimated for the installation of the last 29 cans – \$20,028 (*labor increased as expected by \$90 costing the Association ~\$2600 more to finish the project*). Material costs are estimated at \$31,543; the total cost will be ~\$51K. *The Board questioned the availability of funds to complete the project. We contend that the additional costs from increased labor and material expense should not pose financial difficulty on the project based on carryover and this year's expected special assessment collection; however; non payers need to be dealt with to prevent putting a financial burden on the Association and the success of the project.* This topic was to be further discussed in closed session.

Corn requested that the board tell him when the money will be available so he can order the material. The lead time for the material order is 30 days. The order should be placed in March according to Veverka (make this an action item for end of Feb). Corn will be notified at the next meeting.

Veverka asked if the carryover from last year's water maintenance budget might help fund the project. It was suggested that \$15,000 was transferred over last year from the operating funds to cover shortages. *However, only \$2400 of the \$15,000 was shown to be used in the December financial report.*

*Understanding the accounting of the meter project has been difficult due to the lack of itemized income and expenses and how the outstanding delinquencies are being handled to ensure maximum funding. We have seen no separate financials on this ~ \$235,000 project, and we have no verification on the claimed overruns per year.*

#### Water compliance

It was mentioned that there was a contract proposal to inspect our drinking water tanks with Marine Diving out of Colorado. Estimated costs are \$1K per tank (we have 5) plus an hourly charge for extras. They will also check the lines between the tanks for leaks. *There was no indication that they went out for 3 bids on this contract as has been policy in the past for an expensive project.*

#### Firewise

A 450 acre burn on Virgin Mesa is to start immediately, then future burns are planned for Thompson Ridge and the Paliza Canyon area.

There will be a disaster preparedness meeting at the Baptist Church in La Cueva. Time of the workshop will be posted on the website.

Thompson Ridge slash pit will open on May 1. All planned small burns (over 3x3x3 ft.) must obtain prior permission from the LCVFD chief. Please also report smaller burns to avoid unnecessary Fire Department calls.

Webpage - still having links problems. Schacht requested that he be given administrative permission for the electronic broadcast service (listserver) so he can make changes. Currently Fredlund and Studebaker are the only people who have access to the listserver.

Roads – Snow plowing has been completed when requested; however the roads have not been sanded due to the spreader mechanism locking up. A vibrating motor was ordered to remedy the problem. *No cost was mentioned.* It was also mentioned that a salt and sand mixture would be beneficial to prevent clogging. The snow plowing contract does include sanding.

#### Legal

The attorney was on vacation through Jan 29. The lawsuit initiated against the Board has been turned over to the attorney and is being investigated. It was suggested that the Board reconvene with the attorney regarding delinquencies next month.

It was noted that the lawsuit initiated by members Barbara Van Ruyckevelt, Mary Moore, Suzanne Star and Sabine Shurter seeks civil mediation with the Board. The Board has decided to delay any further response to the December request for financial records until the lawsuit is settled. *The December request was supposed to be answered within 10 business days, so the Board is out of compliance on this issue.*

#### Community Relations

It was proposed that the Board should improve communication with members by conducting an informal meeting at 6:30pm, 45 minutes before the Board's monthly meeting, to answer any questions from members. Not everyone on the Board thought this was a good idea and mentioned that misleading information might be imparted during such sessions. *We think that allowing unimpeded Q & A during the Board meetings would resolve many of the questions that continue to go unanswered.*

Architecture/Parks – no report.

#### Action items –

The hardship request form that goes with the payment plan for members is supposed to be published on the website soon....*better late than never. We hope it doesn't get buried where no member in need can find it.*

An aging (delinquency) report will be put on the website.

Website corrections to email links - Schacht, webmaster, needs info where the website link problem resides so he can take resolve the problem.

New business:

The Board will identify houses that may need PRV's (pressure reducing valves). If they already have one, if not, and whether they want one, should be established. Mr. Nyhan has records of outside pressures at each home, however these do not necessarily reflect the accurate inside pressure. If readings are high, these people will be contacted. If they request a PRV that they didn't already have, the homeowner will be responsible to pay for it.

There is an easement problem off Los Griegos that needs to be resolved before the meter installation continues this year – one water line running to 2 homes.

The bank reconciliation job may be handed over to Sunland Mgmt. depending on the price.

The Badger Meter Reader software upgrade is \$520. Renewing the contact was approved.

The tank inspection contract proposal for Marine Diving will include additional cost per hour if incidentals are discovered; this detail is listed in the contract.

A concern surfaced about the wisdom of offering a "communication" session with the members. A Board member suggested that property owners would try to put the Board on the spot, and there was concern that this is just "stirring up the pot." It was suggested that the Board would need to establish boundaries to guide the policy.

Mary Moore presented her ideas to add clarification to the Treasurer's delinquency report. She suggested that individual case histories be added to the summary material already provided. The histories should include how long the delinquent has been in arrears, amounts currently past due for annual dues and/or special assessments, and what remedies the Board has initiated to remedy the situation.

She handed out the attached material. She stated that in order to understand the full picture more facts were needed.

Board members suggested that her request was redundant and wouldn't change the way the Board proceeds with collection actions. Moore suggested it could be another tool to pressure people into paying and that it should be put on the web. *How do they know if disclosing the information on the web is effective if they've never tried it?*

A board member questioned whether the Board benefits from this new idea.... *What matters is if the Association benefits from it, it's not the Board's money.*

Van Ruyckvelt suggested that a different look at the data may instigate new ideas on how to collect, especially from those that have been long time offenders.

Lisko asked a question on why a member would want or need to know the case histories. *We think this sound like LANL policy regarding nuclear secrets. We think our subdivision should be governed by the rules in its Bylaws which state that members have a right to inspect all official documents and records of the Association.*

The Board delayed further input due to the similarity of this issue and the lawsuit. It was suggested that Moore email wording for a concise action for the Board's consideration.

One Board member mentioned that the members who brought the lawsuit had a lot of nerve and he considered the legal action “out of line. *The “heat” of the comment was quickly dispersed.*

Heintschel requested some information on the roads, and the Board hesitated to allow him to speak because he had not requested permission to be on the agenda a week ahead of the Board meeting. *After a bit of indecision, and the fact that how to ask questions at the Board meetings has not been official printed in any association media, the Board allowed him to speak.*

Heintschel stated that the road leading to his property (Los Griegos) is the worst he has seen since he has lived here. He claims the roads weren't fixed in the summer, and now they have become a bigger issue in the winter. A Board member commented that the roads on the lower parts of Los Griegos and Aspen Grove received 80% of the road money this year, however the upper areas were bypassed. It was stated that an engineering review is needed. *We agree, and there was one in 2003, but no action was taken to follow some of the recommendations. Excessive money is spent every year on fill for Los Griegos Road only to have it washed into ravines by the end of the season, and the expense starts over again. Members have diverted water by removing water bars that the Association paid to put in place. Culverts were also added at a cost of approximately \$35,000, in 2007, but the upkeep was never initiated to keep them open, and they have become clogged and useless.*

Heintschel complained that he has been stuck several times. He asked for a clarification of the snowplowing policy. It was stated that there is a 6 inch guideline but it doesn't specify in the contract where the measurement is reported. Since snowfall can vary from lower areas of the subdivision to higher areas, Heintschel was told to call the roads chair if conditions become difficult at his elevation. *Another bit of information that many residents may find helpful, but the policy hasn't been posted or announced by the Board.*

Heintschel suggested that the timing on plowing is inconsistent. The answer was that the contractor has 18 hrs to respond to our request. Van Ruyckevelt suggested that the plowed snow is being left in places where it will melt down the roads instead of being diverted to the sides.

Van Ruyckevelt requested that chlorination reports be posted on the website as was done in the past; but this has not been kept up with by the Board. *There was no indication that the issue would be addressed.*

The Board went into executive session at 8:44pm. *No topics of discussion were mentioned.*

Cars dispersed 9:35pm

mm/ss/ss/bv

## Mary Moore's New Business Topic

### Reporting on Delinquencies – New Business Topic

Please include the following delinquency report in the minutes at least quarterly.

#### Overview of the Situation

- Total number of people who are delinquent
- Number of delinquencies by type
  - Dues only
  - Special assessment only
  - Both (dues and special assessment)
  - Other (interest, fees, etc.)
- Total dollar amounts
  - Dues + interest
  - Special assessment + interest
  - Both (dues, special assessment + interest)
  - Other (interest, fees, etc.)
- How many uncollectables?

#### Individual cases

- Provide a case history of each delinquent (no names or identifiers other than number, i.e., Case #1) which includes
  - The amount due from
    - Annual dues (+ interest)
    - Special assessment (+ interest)
    - Other (interest, fees, etc.)
  - The date the account first became delinquent
  - Remedies taken by Board
  - Dates of remedies taken
  - Current status

Please define the term “uncollectable” if it applies to any entry in the report.

See examples on next page.

## Overview of Delinquencies

|   | <b>How Many People</b> | <b>How Much Money Owed?</b> | <b>Current Date</b> |
|---|------------------------|-----------------------------|---------------------|
| <b>Dues only (+ Interest)</b>               |                        |                             |                     |
| <b>Special Assessment only (+ Interest)</b> |                        |                             |                     |
| <b>Both (+ Interest)</b>                    |                        |                             |                     |
| <b>Other (Interest, Fees, etc.)</b>         |                        |                             |                     |
| <b>Total</b>                                |                        |                             |                     |

How many of these accounts are uncollectable? \_\_\_\_\_

### Individual cases (possible examples)

| <b>Case</b> | <b>Initial Delinquency Date</b> | <b>Dues Owed</b> | <b>Special Assessment Owed</b> | <b>Other Owed</b> | <b>Total Owed</b> | <b>Remedies and Dates</b> | <b>Current Status</b> |
|-------------|---------------------------------|------------------|--------------------------------|-------------------|-------------------|---------------------------|-----------------------|
| 1           | April 2014                      | 690              |                                | 75                | 865               | Lien filed June. 2014     | On payment plan       |
| 2           | March 2013                      | 1380             | 1024                           | 125               | 2529              | Lien filed July 2013      | In foreclosure        |
| 3           | April 2012                      |                  |                                | 22                | 22                | Lawyer Letter July 2014   | Unpaid interest       |