

**DBLA BOD Work Session
Thursday, 8/23/2018 - 6:00pm**

Call to Order 6:00 pm
Leaseholders Present: 22

BOD: President Kate Higgins, Vice President Mary Wynn, Treasurer Char Schulz, Secretary Anne Lipe, Officer at Large Lynn Brem

Staff: Barb Gilger, Facilities Manager

President's Opening Statement: Not much to say as I have been travelling, but there is a major update on septic system from Barb:

Facilities Manager's Report: Barb received by the State Dept. of Health (DOH) and A Pre-design report from ADC today. This is the next step in the process. DOH will meet with ADC on site to look at soil samples. Then we wait for a response from DOH. The pre-design report includes Site History and Septic System Overview, Current System Conditions and Evaluation including Flow Rates, and a Proposed Repair Strategy. The pre-design report is attached.

Question will bocce ball and horseshoe areas be involved? – We don't know.

Is it time to think about a back gate? – Within a few yrs. we expect to retire the lower meadow as a septic system and we do hope to create a lower exit to Old Gardiner Rd.

Has the engineer recommended a contractor? – No. It is up to us to find a contractor. Barb reported calling 25 contractors and got a call back from 5. Most won't talk without a set of blueprints.

Old Business:

- **Special Assessment / How to handle additional donations?**

Kate: All donations are earmarked for septic and recorded by source so we know how much was donated and from whom. If cost overruns occur, that money will be used to pay bills. If there is leftover money, we will make a decision at the board meeting on how to handle it.

Char: I will make a motion at the board meeting Friday that folks can get their share of money back or donate it back to DBR.

Question: I believe there is \$5,000 over the estimated \$15,000 and I ask that overage be made available to people in need who cannot afford to pay their assessment. This generated lots of discussion but the upshot was that the agreement was to apply all donations to defray the septic assessment equally for each lot. To change that now would take agreement from everyone who has donated.

Why are you charging now before you have a true estimate from a contractor? – Kate because we do not have enough money to pay for this project and still be fiscally responsible. And there won't be enough time to have another vote and then collect money before we have to start paying bills.

Will contractor be paid in advance? Will we lose money if they don't meet their commitments? This has happened in the past to when payment was made in advance of service. – Kate: We have to pay some money up front to the contractor but we will pay in increments as the work is completed. There will be checks and balances in place.

Suggestion: There should be a bonus for finishing the project early and a penalty for running late.

Why the Oct 15 deadline for full payment, and when does the payment plan begin? Kate: We expected to be further along by now when we started this project in the spring, but the delay caused by the retirement of the DOH rep was unforeseen. Oct. 15th allows leaseholders a grace period (to prepare for paying the assessment).

What I am asking is why are you charging us without firm cost? – Kate: We based the costs on the latest estimates we received from ADC. We have already had to spend money for the work done by ADC. The information on expenditures is in the fiscal reports on the website, if you want to know what has been spent to date.

The only date on the payment info is that for full payments which are due by Oct 15. What about the payment plans? – Kate, we need to correct that. The assessment was the date it was voted on, but the payment due date needs to be clarified.

Joan and Jeri are being required to pay for two lots, even though on the date of the sale of lot 68, they will only own one. Why should they pay the assessment for the lot that is being combined? Everyone who was shown the park lot (#68) was told by Jackie that they had to pay the assessment. – Kate: At the time of the assessment vote, Joan and Jeri owned two lots and the combination of lots 58 and 59 was always contingent upon finalizing the sale of lot 68. When Joan and Jeri signed the purchase document, they purchased two lots. After the sale the request was made to combine the lots and sell the park lot to keep our lot total at 115, never over nor under 115 lots.

The other person who put in the offer to buy, offered to pay the assessment and I think the board was wrong to not accept this higher offer. - Board: There was no mention of payment of the \$2,477 assessment on the bona fide offer form the BOD received. It read \$35,000, the same amount offered by Joyce Bradley nearly two weeks earlier. Joyce pointed out that she was also prepared to pay the special assessment when she made her offer. So both offers were in fact identical.

Kate – what if the lot was not sold? Everything is predicated on 115 lots. We would need an assessment from those 115 lots. Unless there is a specific date attached to a vote by the board or membership, the effective date is the date when the vote took place. At that time, Joan and Jeri owned two lots, and still do until the sale of #68 is finalized.

Everyone can pay the spec assessment early, including those paying in full and those making payments.

If there is money left over can I have the option to get a refund or to donate it to the reserves? Kate- The board will discuss this tomorrow at the brown bag meeting and will vote on it at the BOD meeting a week from tomorrow.

Everyone should know they can donate to those in need via Melinda, and their donation will be applied to the receiver's septic account. You can also consider giving along with others so that small donations made by several people can go a long way to help someone.

If the cost of the septic project runs over, we are going to take that money out of reserves, rather than asking for another special assessment. [Reality check/clarification from Kate - this statement was based on the possibility of an overrun of several thousand dollars. If there is an overrun that would deplete the Reserves too much, we would have to go back to the community. The major reason why 70% of the LHs voted for the higher special assessment is that they understand the need for healthy reserves in the face of aging infrastructure.]

New Business:

- Finance Comm: Report on preparation made for the September, 2018 finance meetings for the 2019 Budget

On Sept 17 the Finance Team will begin work on the 2019 budget. At the beginning of the year we had more people on the team. Marilee will be away in Sept so she agreed to sit down with Susie to make estimates for 2019 based on figures from the last several years of expenses vs. the past 7 months of 2018. They then added in a guestimate on Barb's remaining 2018 maintenance costs and Melinda's office management costs. Also we know we get more income than outgoing on laundry and electric. Based on these figures we estimate approximately a \$5,000 overrun in the 2019 budget. We prefer not to have to raise dues in 2019 and do not feel that we will have to with such a relatively small over-run. If it were \$10,000 we would probably have to raise dues. This was an exercise on an estimated projection.

Kate – this year we have spent money going through our attorney to review information on our leases that conflict with our CC&Rs relative to raising dues. We were told we must comply with the CC&Rs. Therefore we do not have to follow the part of the lease that ties increases in dues to the Consumer Price Index of Jefferson County if an increase is needed for the operation of the park.

It was suggested to raise dues a couple of dollars each year, rather than \$10-15 increase all at once later. Gloria says the original dues were \$98 and stayed that way for years, so for an overall increase of \$50, she is not complaining.

There were comments about the reserve fund and a potential additional fee for new buyers to help maintain the resources that have been provided by the payments of others over the years.

Kate – Another way to look at the reserve funds is that you are paying for the use of facilities as you wear them out.

Announcement that the BOD would meet for a Board Brown Bag session Friday 8/24, which is a time for board members to hash over questions and decisions. Leaseholders may attend, but may not participate in the discussions.

Motion to Adjourn by Char Schulz Seconded by Mary Wynn
Vote was unanimous

Meeting was adjourned at 7:45pm

Submitted by Anne Lipe, Secretary