



# Governors Club Property Owners Association

## *POA Board Splinters*

**April 19, 2016**

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**The POA Board met on March 15, 2016 and April 19, 2016 in regularly scheduled sessions. The topics discussed and actions which took place in these meetings are summarized below.**

### **Public Input:**

Mary Ann Anderson representing the "Dues Project" presented information on property values, a comparison of dues plus taxes for several communities and several alternative dues structures. The Board questioned whether there was any new information that was not already reviewed and discussed during the review in October of last year.

The Board discussed the presentation during the April meeting and reiterated their view that there was nothing new presented. The Board agreed to continue reviewing the home sales and future road work but will not request the Finance Committee to initiate any additional work on alternative dues structures unless some new compelling information becomes available.

### **New Business:**

**ARB:** The ARB representative presented two issues to the Board:

1. A homeowner erected a structure in the back of his home that was not painted in compliance with the ARB guidelines. The homeowner request for a waiver from the Board to allow the structure to remain in non-compliance. The Board declined to grant the waiver and referred the issue to the hearing panel should the homeowner refuse to comply with the ARB Guidelines.
2. A homeowner requested approval to use a roof shingle that was not currently on the approved list. The ARB noted that there was no material difference between the

shingle on the approved list and the shingle being requested. The Board requested the ARB for clarification of several issues and a recommendation on usage of the new shingle.

**Finance:** The Net P&L for March was \$7K favorable to Budget for the year. Revenues were \$2k better than budget, while expenses were \$21K unfavorable to budget for the month, primarily due to community appearance expense being over plan for mulch and pine straw for the common areas which was delivered a month earlier than planned. This expense was offset by Infrastructure expense being under budget for drainage and road maintenance.

It was also noted that Accounts Receivable improved considerably down from \$187K a month ago to \$105K at the end of March. This level is also well below the \$134K level at the same time last year. Homeowners who have not yet submitted payment of their 2016 dues are encouraged to do so as soon as possible.

Expense for the road project total \$2.6M (\$1.9m in 2015 and \$700K for 2016). These expenses are within the budget and the project is expected to be completed on budget.

### **Executive Session:**

The Board met in executive session to discuss the Cottage Association's request for information on appointing someone to the Board, Legal advice on allowing commercial enterprises to participate in community activities and committees, proposed members for the nominating committee and plans for negotiating future contracts as they come up for renewal.

The Board re-convened in open session following the Executive Session.

**Nominating Committee:** The Board approved appointing Dick Amistadi, Kathy Singer and Bill Patchett as the non-Board members to the Nominating Committee. They will join Board Members Les Stuewer and Sharon Livingston on the committee.

**Financial Audit:** The 2015 audit of the POA financials was completed. In the auditors opinion the financial statements fairly represented in all material aspects the financial position of the Governors Club POA Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year are in conformity with accounting principles generally accepted in the United States.

**Dues Deferral:** The Finance Committee evaluated the possibility of offering a "Deferred Dues Option" (installment payments) for payment of future dues.

The finance committee concluded that there was not a significant past due receivables issue in GC and that they saw no compelling reason for an official deferred payment option. It was noted that there is currently an "unofficial" payment option, which allows

individual residents to request a special payment plan based on specific needs, and that this program appears to provide acceptable relief for the limited number of residents having financial strain, and should be continued.

**Expense Reviews:** The four committees (Infrastructure, Appearance, Administrative and Gatehouse/ Security) established to review the POA expenses completed their reviews and presented a summary of their findings to the POA Board. Each of the Committees were comprised of a Board Member, a member of the finance committee and several volunteers from the community with knowledge of the subject area.

The committees reviewed all major line items within the budget many of which were covered by existing contracts. The committees did not identify any major near-term expense reductions and found that the current contracts represented a reasonable value to the community. They identified several areas to be focused on during the next contract cycles.

The appearance sub-committee recommended reduced spending on Christmas decorations and plantings around the POA Building and elimination of the expense for containers for disposal of debris during the spring and fall. This will eliminate about \$12K in expense. The Board requested that the Finance Committee develop a list of all contracts, their renewal dates and a recommended start date for negotiating the contract based on the complexity.

**Cub Creek:** The POA has received approval from the Army Corps of Engineers to proceed with the removal of silt from Cub Creek. Final contracts are being prepared for signature and work is expected to begin with the next few weeks.

**Safety:** The Safety Committee is developing guidelines for parking of service vehicles in dangerous areas of the community. The Board supported this initiative and requested the committee to identify the dangerous areas and finalize their recommendations. The Board will review the final plan and expects to implement the guidelines following approval at the next Board Meeting.

**Cottage Lots:** The POA has decided to list the two cottage lots recently obtained in a foreclosure for sale. The lots will be listed at \$50k.

**Real Estate:** The Board reviewed the sales of Governors Club homes for 2014, 2015 and thru March 31 of this year. This information will provide a basis for evaluating the impact of the new website and marketing efforts, and setting future strategies.

The meeting was adjourned at 5:25 pm.