

GLA Finance/Budget Committee 10-16-2015

This meeting summary/interpretation is being distributed to the GLA Board and Community as a volunteer service by GLFPC. Your suggestions are welcome should there be oversights or errors.

Those present: Co-chairs of the Finance/Budget Committee, Rudy Parker (Treasurer) and Dan Kehoe, (absent Committee Members were Ed Dobrowski and Charlene Murphy). The other board member present was Charlotte Mizzi, along with long-time financial advisor, Regina Wunsch, and eleven landowners.

Parker began the 3½-hour meeting by distributing the newly ironed-out Draft Budget for 2016, along with copies of the 2014 and 2015 GLA Profit and Loss Budgets Performance Statements and 2014 and 2015 Balance Sheets. This new Draft Budget, which totals \$141,000, will be presented to landowners for a vote at the Annual Meeting on November 14, 2015.

Newly appointed board member, Charlene Murphy, had recently framed this Draft Budget for the coming year. Based on her calculations there would be a \$9,000 + budget shortfall, necessitating an increase in assessments by 10%. In her absence, Parker explained the figures.

With this shortfall in mind, hiring a bookkeeper/accountant became a primary focus. During this meeting, board members continued the on-going deliberation about hiring a professional to keep the GLA books. The present board members agreed to leave the line item of \$7,200 for hiring Julie Indreland's certified bookkeeping services. Having already interviewed potential candidates, the committee feels confident that this projected cost is realistic and that consistent bookkeeping practices will be cost-effective, and may even increase GLA revenues once all the records are updated and kept straight.

It was noted that the hiring of professional help would ease Parker's workload. Both the admin. assistant and long-time GLA financial consultant, Wunsch, will continue their support, as well. Rudy would probably still sign the checks and make deposits; keep the GLA membership/assessment data base accurate and send regular updates to the accountant; work with Title Companies and others involved in real estate sales and transfers; work with the Collection Committee to coordinate the liens on delinquent property owners, and facilitate payment plans for GLA members who are behind in paying their assessments; plus work with the Finance/Budget Committee to develop and oversee GLA's annual budgets.

While the bulk of the increase would be for hiring an accountant as stated above, another \$2,000 was earmarked by Mizzi for repair and painting to the service building at the former soccer field. Bearing in mind Murphy's proposed 10% assessment increase, a number of attending landowners protested using the \$2,000 to repair and paint an

abandoned, vandalized, deteriorating building with no plans for present or future use. Further protests circled around the matter that the building, along with the 20 acres, belongs to both North and South Glastonbury landowners. The decision about the building and land use rests with all landowners, as to whether to simply tear down the deteriorating building. Furthermore, the budget shortfall, this \$2,000 could be used in a much more productive way, they reasoned. That line item was later cut to \$800 for paint and replacement of rotten wood siding given the need for more inclusive planning of how to use this common area.

To answer questions about the line item of \$3,000 for anticipated lawsuit costs, Kehoe stated the money would be used to enforce covenants (??), and that the current lawsuits, which have been covered by insurance, are winding down. When questioned by a landowner about a related line item with \$5,000 for legal advice and covenant interpretation, it was explained by Kehoe as money the board will need to use for this year's anticipated legal advice.

When landowners asked WHY there had been NO job review or work assessment to justify the projected 5% pay increase and additional hours for GLA's Administrative Assistant, no answer was given. (Note: The board recently voted to increase McSherry's work hours by 5 hours a week, making her present hours 20 a week). With further landowner insistence, Parker then stated that, volunteer secretary/non-board member Alyssa Allen has been supervising the administrative assistant. Upon learning of this arrangement, several landowners insisted that GLA employees are to be supervised by the board, NOT volunteers. In rebuttal, Kehoe declared, "We're all volunteers!"

Next the extra monies paid the admin. assistant produced further discussion. First, the admin. assistant is paid for mileage whether running errands or driving to board and committee meetings. Second, a further point of discussion was the admin. assistant being compensated from a separate account for working on the initial Project Review applications, previously done by board members, at no cost. Rather than give McSherry a pay raise, landowners volunteered to assist in any way possible, but were met with resistance from board members.

Nearly \$30,000 in new road funds are part of the Draft Budget for 2016, given that the road loan payments will end yet this year. Hearing that the \$30,000 in new road money would be shared equally for NG and SG, some landowners said it would be better to split the funds according to the amount of assessments generated by each area. NG typically generates more assessments than SG, and SG has more miles of road to maintain. Contrary to a board vote from approximately a year ago, separating road funds into two equal pots, Kehoe suddenly insisted that since there is only one Glastonbury, there is only one pot for road money.

Landowners then initiated a discussion about other sources of revenue which focused on the need to review and update dwelling unit assessment practices. Discussion showed there is concern about the fairness and traffic impact of apartment buildings and homes with year-round rental spaces. Many are being assessed simply as single dwelling units.

This also applies to vacation-rentals with multiple units and apartments that are above garages. One landowner asked if GLA assesses (or plans to assess) 5 earth shelter homes on a 10-acre parcel in NG that is currently for sale and is described as having the capacity to house hundreds of people. She said that there would be significant road impact if those shelter homes were to be sold and occupied or used as a novel vacation rental experience.

Other landowners urged GLA to increase the use of judgment liens to collect more delinquent assessments, and to complete the review of all the approved construction projects since 2005, to make sure they would be assessed correctly. One landowner suggested that it would be good to print the list of members who are delinquent as an incentive to pay their dues. He said it is not fair that those who pay have to carry those who do not pay. GLA currently has a 13% delinquency rate.

After considering whether to raise assessments to meet Murphy's projected shortfall, or as President Dan Kehoe recommended, to depend on income from the payment plans of those with delinquent assessments to meet the shortfall, the immediate decision was to rely on the payment plan income. In 2014, payment plan income generated about \$10,000 of unanticipated revenue, and in 2015, it has generated \$11,700 to date.

In looking ahead to other potential expenses, Parker announced the volunteer Secretary won't be available to volunteer her services, and then he continued that there may be a need to hire a Secretary.

Reminder: A copy of the Draft 2016 Budget will be given to landowners at the Annual Meeting for voting. The board typically adopts the next year's budget at the monthly December Board Meeting.