

GLA Finance Committee Meeting
Wednesday July 27, 2016
Committee Meeting Minutes - Final

Board Members Present: Rudy P Committee Chairman, Charlene M
Landowners Present: Ia W, Donna A, Leo & Dorothy K, Claudette D, Debbie B

Meeting called to order 6:35 pm

1. Update on recalculation process by Accounting & Tax Solutions.

- a) On June 29th Regina W and Micah H met at ATS office to review the recalculation process, and RW found everything in order and was confident that MH could proceed on his own doing the remainder calculations. RW said she would still be available should complications arise.
- b) As of June 23 about \$1,200 was spend on the recalculation process, with still about \$500 left to be invoiced.
- c) On July 8 treasurer received the corrected statements from MH on 12 accounts that had been prioritized for lien filing
- d) MH is currently working on the remainder ~27 accounts starting with the largest accounts working down the list

2. Update on lien filing process.

- a) Treasurer has identified about 11 accounts for which a lien needed to be filed. These are accounts that have been past due for 2 years or more. The last time GLA treasurer had filed liens was spring of 2014.
- b) On July 8 the treasurer received the recalculated accounts from Micah H, and on July 18 treasurer mailed 11 certified letters with 30-day warning notice (30+ days = Aug. 17). One letter was returned because of the wrong address and was resent on July 25 with correct address. (Aug. 24). Total amount owed on these 11 accounts is ~\$14,000. If no payment is received, a final 10-day notice letter will be mailed (Aug. 7) to warn landowner of the pending lien filing process. If no payment is received a \$50 lien fee will be charged and a lien filed.
- c) Karleen had mentioned to treasurer that last year when she did some research on liens, she was advised that liens expire after 5 years. Charlene M reported that from past legal advice, liens do not expire. The Covenants state the assessments run with the land and therefore do not expire. The collection attorney has recently advised the Board to update the old liens before moving to collect. So we are currently in the process of finishing the recalculations and refreshing our liens on all accounts with liens 5 years or older. Treasurer still has to do an inventory of existing liens to see how many are 5 years or older. But we are starting with the oldest and largest amounts owed first, and properties that we know are on the market.

3. Update on collection efforts of past-due accounts.

- a) As of July 21 we have collected \$13,389 in past due assessments, penalties and interest. For 2015 total collection of past due assessments, penalties and interest was \$18,325.09.
- b) As of January through phone calls, emails and personal letters we have contacted 40 land owners. 15 accounts have paid up the entire balance they owed. 11 accounts are making regular or semi-regular payments.
- c) With the July 1st financial statements treasurer mailed 43 hand signed personal letters to a majority of past due accounts.
- d) As of May 31, 25 new accounts had become delinquent on Q1 2016 assessments. Since treasurer's last report to the BOD, 11 of these accounts have become current again.

- e) Our next big push will be to start collection efforts on the largest accounts that owe the most, do a recalculation and review and then contact these landowners to see if they are interested in working with us before the account is turned over to the collection attorney.
4. **Rate of collection on 2016 invoices as of July 21.**
- a) As you may know our 2016 budget is based on 85.54% collection rate on land assessments and 86.36% collection rate on dwelling assessments. This percentage is of the invoiced assessments.
 - b) If everyone paid their land assessments in 2016, we would collect \$83,317. So far this year we have collected \$60,303 in land assessments. That is roughly 72.4%. Looking at Q1 and Q2 land assessment collections, those are currently at Q1 84.7% and Q2 81.8%
 - c) If everyone paid their dwelling assessments in 2016, we would collect \$60,480. So far this year we have collected \$43,284 in dwelling assessments. That is roughly 71.6%. Looking at Q1 and Q2 dwelling assessment collections, those are currently at Q1 86.1% and Q2 83%
 - d) Based on trends and our collection efforts, treasurer is confident that we will reach or exceed our numbers this year. For every 1% increase in collection rates, we will have about \$833 extra in land assessments and \$604 in dwelling assessments. Let's assume we can increase our collection rate by about 5%, it would mean \$7,189 in extra income. 5% is a stretch.
 - e) Some landowners present expressed their doubts about the collection rate %. Treasurer agreed to ask Regina W to check the numbers to make sure we are reporting accurately.
5. **Update on Covenant 11.06.** A voting packet was mailed July 26 for the upcoming membership vote on August 27 to amend Covenant 11.06.
6. **Feedback on Collection Procedures.** Leo K and Debbie B submitted comments during the 30-day comment period on the Collection Procedure. This discussion was tabled until the next Finance Committee meeting Aug 17th.
7. **Signing of confidentiality agreement for members of the Finance Committee/Panel.** Members who help make phone calls to past due landowners will need to sign the confidentiality agreement. No members present at the meeting desired to assist the Board with collection efforts at this time.
8. **Feedback on new Treasurer's Report synopsis.** This synopsis will highlight important items in the monthly reports and shorten the time spent reviewing the financials at the BOD meetings. A landowner suggested to add the total past due amount on the report. A landowner expressed condensing the Treasurer's Report at BOD meetings to 15 minutes.
9. **Extra money from unallocated savings allocated for roads and Admin Assistant.** Rudy will ask Regina W if this should be added to the budget on the P & L Report.
10. **Report on approximately \$2,000 write off.** Regina W advised the board to write off about \$2,000 in debt owed to the previous land developer and given to the GLA in 1997. The Board voted to do this on July 11. This write off will affect a few past due accounts that are being recalculated. One old account with a balance of \$16,291 on Dec. 31, 2015, now has a balance of \$9,146 as a result writing off \$1,244 during the recalculation process. There are possibly 2 more accounts that could be affected by a write off. The reason to write off is because we are unable to determine from lump sum entry into QB if these amounts are assessments, penalties or interest. So to avoid inadvertently charging interest on interest, which is illegal, the best solution is to write off this amount, and since it was not owed to the GLA but C.U.T. it turns out that in its present form this is an uncollectible gift from the Church. If we leave this

money on the books, it will basically inflate past due assessment balances owed and it really is not defensible as an assessment subject to finance charges.

- 11. Discussion of \$420.10 discount.** Rudy reported this amount is for one landowner who was given a 50% discount on assessments since 2006, based on documented financial need. This issue will be on the Aug 8th BOD agenda. The last treasurer did not give this discount in 2015, so this year it showed up as \$420 (2x \$210). In previous years the discount did not display on the reports since it was entered on the invoice as 0.5 assessments. However, the correct way to give a discount is to enter it as such, so it will show up on the P&L and can be accounted for.

Meeting Adjourned 9:00 pm

Next Finance Committee meeting

August 17, 2016, 6:30 pm, Liberty Hall kitchen