



Avalon Village Owner's Association Draft Finance Committee Minutes –August 29, 2019

Members present: Andy Stewart, Beverly Stone, Susan Gerhardt, Bill Gilfillan, Joel Gold, and Jan Trefethen.

Others present: Dwight Rideout, Nadine Morse, and Martin Perfit

Members absent: Steve Johnson

Beth Frost was not in attendance.

Called to order at 10:07 A.M.

Beverly Stone made opening remarks.

- The Operating Budget vs. Actual Report for January through July 2019 was reviewed by the committee. A comment was made regarding the amount of personnel expense exceeding the budget. Currently this is \$5,644.58 over budget through July 2019. This needs to be compared to the whole year budget. When asked, Andy did say he does look at how much is left in the budget and does not keep the staff on so that this will go over budget. He said he has Mike and John scheduled to continue trimming through September. All month's expenses are not created equal, and several people indicated that they would like to see the full annual budget displayed as a column so we can compare expenditures to date to the full budget.
- The Balance Sheet as of July 31, 2019 was reviewed, and it was noted that the reserve fund is currently funded at \$428,534.47.
- Reserve Checking Report was reviewed and the monthly catch-up payments of \$2,333.34 were discussed. The last payment made for catch-up was in the amount of \$3,627.85 which would have been for May 2019, plus \$1,294.51 toward the June 2019 payment. There remains \$1,038.83 toward the June 2019 catch-up payment and the July 2019 payment to be made. As of 12/31/18 the records showed we had made six catch-up payments beginning in July 2018. An agreement was made and approved by the Board (with an accompanying increase in fees of \$40.23 per month) to make 18 payments of \$2,333.34 beginning July 2018 and ending in December 2019 in order to catch up the \$42,000.12 in arrears in the reserve account. The reserve payments were behind from 2015 through 2017 because maintenance and personnel expenses went over budget during that time. Those line items were paid, but the reserve was not. The agreement was that effective January 1, 2020 the extra \$40.23 per month will stop.
- There is a "Miscellaneous" line item on the budget that should be identified as "Contingency." This was mentioned at the last meeting and we thought that was going to be corrected. In keeping with the approved budget, this line item should identify \$8,000 as the limit.

- Tractor payments have been made through July 2019. As of July 31, 2019, the Balance Sheet shows that the fixed asset value for the tractor was \$40,992.03 and the amount remaining on the loan for the tractor was \$24,192.03. Based on these reports, we have paid down \$16,800; with 80.64 more monthly payments over the next 6.72 years at the rate of \$300 per month.
- \$52,000 was withdrawn from reserve to pay taxes in April 2019. The Reserve Checking report shows that \$51,437.42 has been paid back with a remaining balance of \$562.58 to be repaid.
- Status of annual audit and tax filing were discussed. Andy indicated they do not get a full audit. The accountant looks at some items before the taxes are filed, but that is all. This will be discussed at the next Finance Committee meeting on September 10, 2019, so we can find out what the accountant does look at, and can get an update on the status of this from Steve.
- There was a discussion about the use of the tractor. Andy indicated the tractor was to be used for work being done in the village. Nadine mentioned that it is being used for transportation. Andy acknowledged that and said he is working on a plan for transportation for Mike and John. When asked what that plan was, Andy said he would disclose that later.
- There was discussion about who pays for the fencing behind the cottages on Thistle toward Route 1A. A resident who was here during construction of the cottages on Thistle remembers being told at that time there would be fencing put along the property line toward Route 1A. The concern was that if the fencing gets put up now, that original commitment for the landowner or management to pay for that should be honored. Andy said he does not remember such a commitment being made.
- We discussed the layout of the detailed listing of reserve checking account activity. We would like the memo field to be larger so that the description of each transaction is clearer. It would also be very helpful if there could be consistency in how we describe each transaction from month to month. Susan indicated that she might be able to help with making the memo field wider.
- Bev and Bill agreed to work together on a simple operating and reserve statement.
- We had a brief discussion of the duties of the treasurer. It was hard for some people to have any understanding of this without seeing a written copy of the duties.
- There was a discussion about depreciation for the tractor. Perhaps this is something management can address.
- We agreed to put a list of questions together for Steve so he will have time to get the answers prior to the next meeting in September.

Meeting adjourned at 11:17 A.M.

Respectfully submitted,

Bev Stone

Date and time for next meeting: September 10th at 2:00 P.M.