

## WCHOA Advisory Committee 5/4/10 Meeting Minutes

Agenda distributed (see handout including Agenda, Profit & Loss Previous Year Comparison, Balance Sheet Previous Year Comparison, and Estimated 2010 Profit and Loss Report)

5/10 financial report reviewed

- Comments made concerning the cost of the attorney – any cost for an attorney is believed to be excessive if the trustee(s) know how to do those things the WCHOA would be paying them to do (liens, notarizing, etc.) Comment made that if trustees could do those things that an attorney would do, that would save the WCHOA money.
- Questions concerning the amount of the contract with the new landscaping company, Cobblestone, addressed: the contract is described as all-inclusive for a fixed rate of \$19,200/annually until 2015. Cobblestone has also made an agreement to warranty the plantings along Lincoln and Smiley for one year.
- Additional expenditures include the electric bill for the fountain. There is a separate electric meter located on a trustee's property, that trustee receives the bill for the fountain and provides it to the WCHOA for payment.
- Amounts in the accounts confirmed
- Confirmed advertising made for upcoming WCHOA yard sale

Discussion of Property Management bid status

- Previous trustees distributed Pro's and Con's sheet (see handout)
  - Problems lie in amount of time and commitment homeowners are going to want to dedicate to being a trustee. There are problems in having homeowners volunteer to act as a trustee, what happens if no trustees are available, what happens if they get "burned out", there is not a lot of consistency when trustees change.
  - Benefits to having a property management company is that it does not require the trustees to act as an attorney (see above) or in another specialized capacity, allows for continuity through the years as trustees change, and ensures the property management company would be fielding calls, managing contracts, etc.
  - Importance of relationship building between the trustees and a property management company discussed, including the need for trustees to be involved with the management company and providing some oversight into how the home owners association is being managed.
- Responses from Property Management companies distributed (see handout)
  - Noted that most of the management companies would not provide a bid as WCHOA already has an accountant and property management companies employ their own accounting services.
    - Question brought up that, if this is the main barrier to property management companies making bids, has the accountant WCHOA has contracted with been approached to determine if there would be a penalty for ending services early? No, the accountant hasn't been approached with this question and it is unknown if there would be a penalty.
- Based on the financial report, we do not have the funds to hire a property management company until January 2011.
  - Options mentioned to appropriate money from other areas in the budget to put toward the hiring of a property management company
    - The rock around the pond – as money has already been spent on the pond (restocking, the fountain), it is felt rerocking the pond is not a necessity at this time. However, as the rerocking is reportedly not included in the 2010 budget, this will not save any money.
    - Return of discussion to the contract with Cobblestone, which is felt by many to be an excessive annual amount. As it is already a signed contract with Cobblestone, there would be a penalty to break it. The amount of the penalty would need to be researched. The issue was brought up that if Cobblestone does not abide by the terms of their contract they can be let go, some feel they are not doing a good enough job given the amount of money they are charged (weeds, lack of new mulch, etc). This cannot be counted on for an adjustment in the budget, however.

- Determine what the savings realized from not having to pay for those costs associated with NOT having a property management company (i.e., the costs of the accountant, the attorney, telephone, office supplies, automobile expenses, etc., as itemized on the Profit a& Loss Year Comparison sheet) would be and apply that toward the hiring of a property management company
- Options to raise income outside of re-allocating monies already in the budget
  - Raising of dues, not a popular subject but would increase revenue to cover not only the hiring of a property management company but also the formation of a 3-5 year landscaping plan for the diseased trees at the Lincoln entrance. Amount of increase would only be that to cover the expenses anticipated.

#### Recommendations made

- Return to the property management companies and inquire into what bids would be made if WCHOA did not have a contracted accountant. This will involve talking with the accountant to determine if the contract can be broken, what penalty (if any) would be incurred, etc. When these bids are requested, ensure a bid/rate schedule is provided.
- Develop a capital improvement plan to include the previously discussed and recommended landscaping at the Lincoln entrance
- Determine the need for an increase in annual association dues to provide for the return to a property management company and the capital improvement plan.