

Finance Committee Minutes June 17, 2008.

Chairman Jim Susa called the Finance Committee meeting to order at 7:00 p.m. Committee members Mary Chaffin, Alyssa Rhein and Jay Gerding were present and represented a quorum. Gerrie Crawford and Sarah Lebsack from Stratford Management were also present. There were no guests present.

Jay moved to approve the May 2008 Minutes. Alyssa seconded the motion and it was unanimously approved.

The Committee then discussed the May 2008 financials. While there are still some line items that need to be corrected, those items and the corrections to them have been identified. As a result, Mary moved to approve the May 2008 Financials with the caveat that the known corrections are pointed out and that when those corrections are completed, that accurate May 2008 financials be prepared. Jay seconded the motion and it was unanimously approved.

Gerrie then discussed the collections efforts by Sentinal in light of the increased accounts receivable of the Association. Gerrie passed out a summary of collected amounts showing an average collection of \$6,000 per month by Sentinal. The issue was the lack of liens on property. Without a lien, the collections agency merely sends bills, many of which are ignored. It is only when the billed amounts becomes significant that collections activities involving lawsuits are initiated. After the lawsuits produce a judgment, the lien may be placed on the property. Another issue involved the number of lender owned properties. These are usually vacant and are a key source of covenants violations. Lenders are not required to pay fines, which makes it difficult to enforce the CCRs against them.

The Committee then reviewed the budget proposals submitted by the various committees. The purpose of the review was to determine if sufficient detail existed for line items to put them into a 2008/09 master budget. It was also to determine if sufficient funds existed in the operating and reserve accounts to pay for the requested items. After review, the Committee requested Sarah seek additional information on a few items for the July meeting.

Sarah then discussed an issue involving the covenants person employed by Stratford Management. The issue relates to the mileage reimbursement. The current reimbursement at .485 per mile is insufficient to cover the cost of mileage, wear and tear on the employee's vehicle. The annual reimbursement is about \$2,500. The Committee discussed the need to increase the reimbursement rate to adequately reimburse the cost of vehicle operation. A motion was made by Jim to increase the reimbursement amount to a level that Stratford believes to be a good approximation of the cost of operating the vehicle but not to exceed \$10,000 per year. Sarah was to determine the adequate reimbursement for presentation to the Committee in July. Mary seconded the motion and it was unanimously approved.

The next meeting date is July 16, 2008.

Motion to adjourn by Alyssa and seconded by Jay at 8:32 p.m. Motion passed.