

Budget Town Hall with Q+A, Transcript

Thursday, March 30, 2023 • 6:00 – 8:00 pm • via Zoom

Present: CLRRRA President, Secretary, Treasurer & General Manager

Member Chat Questions: *Blue, Italicized*

[President] All right.

[GM] OK we're open.

[President] So we we do not have camera again.

[GM] Oh, there it is, there it is.

[President] Oh, it came back up? Oh, we're gonna have to buy a new one, I'm tired of this. I don't think they're that expensive, are they?

[GM] I don't know, I'd have to ask..

[President] OK, so anyway we're up for tonight for the town hall, Uh we're gonna be doing things a little differently tonight. Uh there's not going to be audio audience participation, but please chat your questions and if we don't get to them, we'll be keeping those questions and our illustrious treasurer will respond.

[Treasurer] OK

[President] So, I'll turn it over to Mark.

[Treasurer] So, the first thing I wanted to cover is the question that folks had on all why we scheduled this meeting two days before right now, excuse me, the Board meeting two days before this Town Hall. Originally, the budget was scheduled to be voted on at the March Board Meeting. So, we had three work sessions, January, February and I forget what the other day was. Anyway, the two they were open to the members to observe and the third one was closed because it was covering wages. And then, uh we did some work sessions covering any additional items that we wanted additional talking on and then scheduled it on that Board Meeting. Uh, we decided to move that vote because we didn't have all the Board Members and we wanted all Board Members to vote um on the budget. So, when we finally were able to get a schedule a day that worked for all the Board Members, that was um Tuesday, that's that's how it's two days before this Town Hall. It would have been a week before the previous Town Hall, with all our fun technical issues. Um, OK um, as far as procedure goes uh the normal procedure is the Board makes, works and makes the budget the members can uh provide input at any time through texts and phone calls and emails or in person, um but the Board is the way it works on the budget and um it's their responsibility and then present it to the membership for approval.

If there's no assessment increase and, per CCIOA, the budget is considered approved once voted by the Board, unless vetoed by the membership at the Annual Meeting, which has been the norm for all the years that had no assessment increase. Last year, the Board approved the budget at the March Board Meeting, per the, then Treasurer's uh, the Treasurer at that time, the schedule that he had worked out when we followed that this year. And then Town Halls were scheduled April and May by the new Treasurer to explain the budget. The previous Treasurer schedule for that budget was the same as this year: two open sessions for incoming expenses and a third that was closed for wages. The sessions are from membership observation only, just like this year, but members could follow up with the Board afterwards as they wish with all the various means available. For the budget year 2019-2020 the Board approved the budget and then scheduled a Town Hall to explain it. As best I know, the two budgets following that, the Board made the budget and approved it but no Town Hall since there was no increase in assessments. I could be wrong on that one. That's still to be checked and verified, but that's my understanding recollection. Um, the membership has had two months to ask questions provide comments and suggestions once we started the budget process, really almost three months. Um at these sessions I've offered to send the working budget to whoever asked and I asked for members to contact me with questions or comments and suggestions.

Um, let's see what else, uh as far as the actual budget what we have in here are the Board has determined that we have outgrown our staff with the increase in full-time uh property owners and so we've decided to add an additional road crew, a person to the road crew, a full-time position and uh a part-time position for the office. This is to enable the full-time office person to spend part of her time uh learning from the General Manager in the plans for getting an Assistant Manager here for a number of reasons one is professional development of the staff they can move up from part-time to full-time, to Assistant

Manager to General Manager, and it gives you somebody in the pipeline for any reason that uh the person above them departs the Association.

So, that's where a sizable chunk of the budget is for those two positions and then the rest is to cover the inflationary costs on our very many line items.

Uh, let's see um, moving ahead, this is also to continue to maintain the forest mitigation budget, so that the greenbelt and/or, if they come to us the CWPP group for projects in our greenbelts and to maintain our fire mitigation Grant matching funds.

Currently, we need to put provide \$40,000 dollars more to achieve our \$120,000 dollar obligations on the grant that was recently approved and we're just, uh waiting for that to go through its process and get it going. Whether it'll happen this summer, the actual mitigation work, that's to be seen but there's there's some steps that have to go first with the archeology survey, archaeological survey, there we go, um and then the uh forester is doing uh coming to his prescription if we don't find any problems with the archaeological aspect of it.

Um so, I guess for I'm ready to go to questions uh from anyone who has the uh and you might not have the line items in front of you. If you have access to the computer, the website for the Association has last year's budget and you could look up line items there or just ask about a subject matter I'll look it up and then I'll explain how what the numbers are.

So, I'll be putting it on the screen here in a moment and it gives time for people to put in their questions if they haven't already.

[GM] Are you going to look at chat on your computer or are you going to read off of up there?

[Treasurer] Yeah, because I was reading off of a ..

[President] If you see a chat let us know. I can't see that.

[GM] Just, if Mark's gonna read the question and then what's your answer

[Treasurer] Yes, I gotta figure out how I'm going to see the chat, with that..

[GM] That's what I was just asking. Are you going to pull chat up on yours? Oh, you can't because you're not the host.

[Treasurer] I didn't know if I could. I can see the participants.

[President] Is your chat on the bottom? I think you all will have to look at chat. And I can't get on the Zoom at all, So, new computer time.

[GM] OK do you want me to read the question?

[Treasurer] Yeah because if I can..

[GM] Chat Question

OK first question is um:

"Can you please be more specific on the amount in the budget for each of the new positions individually? Thank you."

[President] No, we can't discuss individual salaries.

[Treasurer] I don't know what they want. It's pay, so we won't discuss pay. There'll be a starting wage that will be posted at that time. Um it's, I don't know what else to say. Um, it's a full-time positions and a part-time position.

[GM] Chat Question

"Is the total proposed change in the sum of wages salaries and benefits for the HOA to add two people is not clear to me. What is the expected exit total, exit total for this these categories for the current year split out office and field and what is the proposed next year budget for these categories also split out by office and field?"

[Treasurer] I can show that. For office...office staff and management: proposing \$196 943.91. That is wages only, the taxes are a separate line item, you can see it below it. Uh \$35,000 payroll benefits. That's for all the employees, it includes the new staff positions. Payroll Services is the fees that the companies charge us to do our processing or various.

[President] How much for the maintenance salaries, subtotal?

[Treasurer] OK, maintenance. Road crew \$175,250.40

[President] And that includes the new position?

[Treasurer] That includes the new position.

[GM] Chat Question

The next question is - well, it's not really a question, but it said:

"We were told you would go through the budget."

[Treasurer] Well, we only have two hours so - we've been going over the budget the last several months. Uh you can contact me afterwards and I can go, I'll sit down with you.

[President] And they have access to it online right?

[Treasurer] Not yet.

[President] When they will have it, do you know? We've already voted on it, so.

[Treasurer] It's just a matter of posting it. But the thing is they'll just see the budget they won't see any of the supporting documents that I have right here, how we got to those numbers.

[President] We'll see what I have here.

[GM] So she says:

"So how could we ask questions about the proposed budget without the ability to see it?"

[Treasurer] I would say, ask on the questions, subjects that you're interested in. The website has line item names. If you want to talk about fuel, do you want to talk about equipment, ask those particular questions.

[GM] Chat Question Um:

"The total revenue for non-assessment categories, excluding fishing, appears to be lower to next year than what is projected for this year's exit. Roughly 25k maybe. It seems unreasonable to project lower revenue with the increase in many accounts for AOC and other new charges with. Will you please review this?"

[Treasurer] "Uh, start with the first half again?"

[GM] *"The total revenue for non-assessment categories, excluding fishing, appears to be lower for next year than what it is projected for this year's exit. Roughly 25 000."*

[Treasurer] I've seen the proposed budget of uh, let me make sure I'm reading that...

[President] Put up your revenue and explain it, your two lines.

[Treasurer] I'm not sure what you're talking about.

[President] Oh, at least look at this afternoon.

[Treasurer] This is it. There's last year's actuals, the budget for the proposed to-date actuals, potential actuals, income less fishing

[President] So maybe I can answer a little bit of this question and that is, um as Lots consolidate, our Revenue goes down and we have recouped in the past, a lot of our outstanding debt from property owners who haven't paid their fees, and so we we only have a few properties left. So most over the last couple years we've whittled away at that and so we won't see that other kind of funding coming into our Revenue in our operating income.

[Treasurer] Let me go to my other question let me see if this will tell me... because when I hid/hide a lot of those columns to make this big a new..

[President] You lost it?

[Treasurer] Well it gets hidden um all right

[President] You know what you could do, is go to what you hidden here or on your what you have here (yeah) and then open the rest of it you can't do that huh

[Treasurer] I can and then I gotta take/waste time hiding it again, because otherwise everything shrinks. (Yeah) You have to contact me personally and I'll try and answer that question better.

[GM] Well what will happen is um there will be a chat transcript that will Mark so he'll he'll have these that he can go back and and recap with you.

[Treasurer] But I won't know what their email is.

[GM] Yes, you will. Oh um, we'll work together to get that.

[Treasurer] That, or again contact me directly CLRRRA treasurer like Crystal Lakes

[GM] Chat Question

OK um the next one is: *"What is starting salary for new positions office and field?"*

[Treasurer] It's gonna be published. 15 for the office 18 for the field.

[GM] Chat Question

Um this one says: *"I think my question is fairly basic. How did this year come out for us budgeted versus actual? I realize the year is not over yet, can you tell us how we did, or how you project we might do. In the red or in the black?"*

[Treasurer] Right now, down at the bottom of the screen, as it catches up, we're projecting to be \$60,000 over the budget from the 21-22 budget, that's that in theory. That's what we're following.

[GM] Chat Question

Next question is *"Where did you, as the treasurer, move the \$92,000 budget surplus from 21-22 to? What line item did you place the Surplus in? The Pres voted in June 2022 to use the prior year's operating budget surplus to pay staff salary increases. That would be moved into the operating budget. How much was that, which was moved into salaries total."*

[Treasurer] The surplus from last year was put in Operating Reserves in the excess category since the Operating Reserve we follow the CCIOA, not CCIOA, CAI recommendation of 3 months of assessments. So anything above that is called excess. And so it was just placed there with the excess funds that were already in there. We had about 130 already so that became around \$200,000 excess funds. And then we used, as the year went by um and I think, let me scroll back up um, yeah we're probably now, we're getting into spending that excess until we've gotten through all our assessment Revenue in this March-February time frame and now we're into the uh excess funds.

[GM] Chat Question Tell me when you're ready for the next question. (OK)

"Budget will be presented in its entirety?" I guess it's a question.

[Treasurer] Um well it will be posted. How are we're going to do this? On a link on the website, on the?

[GM] It's up to how the board would like me to do it. Generally, we send it hard copy to every single property owner.

[President] That's with a mailing for the Annual Meeting, but we could post it ahead of time as well.

[GM] Chat Question

"You missed my question on the years planned extra total cost for wages and benefits (field and office). I appreciate you covering the new year. What is the delta or what is the delta or total cost growth for each year to year?"

[Treasurer] I'm not understanding the question.

[GM] Chat Question repeated

"What is the Delta or total cost growth for each year to year?"

[President] If you go back to your annual budgets that you had

[Secretary] Yeah there's that thing in the right hand

[President] If there's anything on the salary column, do you have that separated out?

[Treasurer] Where I have everything, I'll have to stop and pull up the other one

[President] Please understand that he's done a tremendous job and these spreadsheets are hugely detailed and he's looked at past cost, current cost, cost increases that we're anticipating, so there's more to this budget than we've ever seen before. It's huge.

[Treasurer] OK this might be what you need, but I don't have...OK for, so those every year since 2021.

[President] I just can't read it but..

[Treasurer] Yeah, I have to zoom in. That's why it's not best. Zoom is not that great, because you can only share one screen at a time at least with our..now this software doesn't want to.. doesn't want to zoom

[Secretary] Could you highlight the line item for salaries and then just read across?

[Treasurer] And here's the thing is um until this year, and we only started it this January, all wages were under one category, Payroll. (Where are you..) Yeah equipment expenses. so line uh 51 on this form, a line item number 5320 salaries and wages,

um \$224,000 actuals in uh that first year 2020-21. Budgeted was \$221,000 so it was a \$3,000 over. The next year is budgeted at \$252,000 and looks like uh we came really close to that last year. I got to see my columns since I can't edit this. For whatever reason, oh the actual is, yeah when you don't, when you can't fill positions you save money. So we did \$194,000 last year on a budget of \$252,000.

[President] You want to go on another question?

[GM] Chat Question

"Exactly what is the dollar, oops exactly what is the dollar amount the Board will be asking for by ballot? Will that be in...."

[President] Oops um \$166.25

[Treasurer] Is that exactly what they meant did you want the total or the increase"

[GM] Chat Question

"Exactly what is the dollar amount the Board will be asking for by ballot? Will that be in the form of a general dues increase, a special assessment or a combination please be specific."

[Treasurer] It will be a dues increase, the total is...what's the number?

[President] \$166.25

[Treasurer] No no \$831.25 total. So, the new assessment would be 831.25. \$166.25 cent increase over the current assessment of \$665.

[President] So maybe now is the time to bring in where we were in 2019 and the lack of increases.

[Treasurer] I'm ready for the next question when I get pulled.

[GM] Chat Question

"What is the lot total assumed for next year's assessments and what is it for current year?"

[Treasurer] Lot total? Number of lots? Well, it's right now it's 1,557. We don't know how many people are going to consolidate. I've heard talk, but it's it doesn't sound like uh more than a couple, but you never know. There's a number of people out there who have multiple properties side by side that if they just so choose that it's best for them tax wise.

[President] And that's a County process.

[Treasurer] Yeah, it's it has its own ramifications. OK, I want to change over to this page budget so what uh yeah I'm getting to, um how can I get that visible area.

[President] We were going to go back and answer the difference between the years.

[Treasurer] So this graph there's two green lines two red lines. There's income and expense and then less fishing, because generally fishing stands on its own they earn their own income basically through their fees on the passes, so that's why I try to separate it out. So you can see the year 2018 2019 and then um each year thereafter and it shows the percent increase change from the previous year. So in 2019-2020 we had a assessment increase of \$205 which was around 40% 42% of the assessment, and then you can see the expenses from the previous year went up 9.4 and then each year going to the left you see where it shows the income 1.86 for the uh less fishing category and that's generally what I say when we're collecting assessments from previous years or maybe some of those uh services that we charge for made a little bit more money um so it's a combination of what that increase was so you can see that the next year our assessment, our income was less than the previous year, a little, but less and again the following year, last year, it was less again. Then you go to the expense line and it, like I said it started at 9.4 increase in expenses, next year is 12.4 we had a drop and this is all those various bowls that you have to go in and study that each budget as to why that dropped. Following year, went up 9.8% and this year we're anticipating a 17 increase over last year's expenses. That's the uh where the concept was uh tried um and it's a thing that a lot of associations are doing is to have that quote/unquote automatic increase whether it's a fixed amount or whether it's uh CPI or some other governmental number based and then the assessment would go up by that amount. That doesn't mean it's going to get spent um the Boards could see that that would be more than that's needed based on the analysis that year um but it keeps it counts for the just the general inflationary costs. Especially this this last year and this year and we'll see what next year brings but in previous years yeah we were down in the 2%, 3% um so it's not always a large increase, but it uh and then if the the Board determines that that is not enough then they would have to put it up for a vote to get more to uh cover that the uh the quote-unquote annual

increase does not cover. It's a philosophy. Some don't like it, some do. And then otherwise you end up like here we're trying to do catch-up for 3 years, 4 years of inflationary cost increases.

[GM] And that's kind of what happened when we did that \$205 increase. We hadn't had an increase for 3 years and again that was catch up um and then we made that good for um anyway so that's what we're trying to avoid is is the big increase because it it does hurt us in the pocketbook we understand.

[President] Yeah but since that was defeated last year that's not happening now

[GM] I understand.

[President] And I think that, you know, right now you can see there's a number of years where the increase has not occurred and so we are definitely in a catch-up phase and maybe this property owners would like to see a small incremental increase every year like a lot of associations are going to um that would have to go back on the ballot for that to be reactivated.

[Treasurer] OK next question?

[GM] Chat Question

"What is the justification for the additional office employee? What are the duties that will be assigned for the person? When will the Association have a complete job description for the General Manager?"

[Treasurer] We're working on the job description. We have a draft job description, it has just not been finalized. As far as a position, they will be working in the front office just like the other staffs there this part-time person is to free the full-time person who is interested and has started the process to get her the licensing, is right?

[GM] CMCA, yes

[Treasurer] And in preparation, and then spend part of her time learning, you know observing, doing tasks that help the general manager um be able to take vacations be able to not work 80-hour work weeks, um and it's a um and backup illnesses, there's uh projects, for example the campground um remodel/revival whatever we want it called. I personally took that on to help because I knew that uh the General Manager already had a full plate and uh that was with this Assistant Manager would be doing, is these other projects to help the GM.

[President] Reiterate it's just a half time.

[Treasurer] So it's, it's half time so the half the time this full-time person will be learning the Assistant Manager duties responsibilities.

[GM] Chat Question

The next question has to do with the email address for the treasurer that was incorrect in The View and I'll take responsibility for that I forgot an "R" in Treasurer so just spell out c-l-r-r-a Treasurer at crystal-lakes.org when I post the budget I will make sure that that is correct.

[Treasurer] And all board members positions emails are on their website.

[GM] That's correct. Ready for next question?

[Treasurer] Yes.

[GM] Chat Question

"What extra security measures are planned for the increased cost next year?"

[Treasurer] Security measures?

[President] If they're talking about the contract.

[Treasurer] That's not the question. But if you're trying to ask about the uh contracted security company? See that's, I don't get it, security measures um they're going to be just like the previous contractors they'll be patrolling uh looking for folks that aren't supposed to be on the development, um speeders trying to get people to get their stickers so that we can identify them as legitimate to help the fishing folks in enforcing that, um all those duties. So again your question, I'm not sure if I answered it because you, I didn't understand it.

[GM] Chat Question

"Where is the budget online? I only see financials."

[Treasurer] It's not been posted yet. It will be.

[GM] Chat Question

"At the beginning of the meeting the treasurer stated that the need for more CLRRRA employees is due to the increase in number of full-time property owners in the community. What is the exact number increase in full-time property owners over the past one year or past two years?"

[Treasurer] Not much. It's been in the last 10 years. We're behind as far as staffing. So, I don't know the numbers from long time ago. I've heard numbers, but I don't have it in writing. I've heard we're in somewhere in the 200 (the rest of 200) that's 200 yeah it's we've doubled in quite some time. And that's not the only reason it's it's just um we're probably really understaffed for a long time.

[GM] Chat Question

"If 60 000 over, why an increase in dues?"

[Treasurer] Oh we're we're going to be \$60,000 in expenses over income.

[GM] Chat Question

"Collections expenses are projected to grow versus the past year, but I don't see any legal reimbursement or other benefit projected from this in Revenue what am I missing?"

[Treasurer] You're not missing anything because we never know if and or when we'll get paid we can't um just like fines. We don't forecast fines so we but we get charged by the attorneys when they do their portion and then and that's where we'll have it maybe either um it'll help us cover inflationary costs or one-time events that you can't plan for the repairs that might come up and it might help us cover those without uh hurting the overall budget or it becomes if we smack dab on the budget and we have this extra income then it goes into the excess that will help down the road.

[GM] Chat Question

"Why are we \$60,000 over the 2021-22 budget? The whole point of a budget is to keep spending under control."

[Treasurer] Um how much have you paid for gas at at the pump versus last year? It's the cost of operating has gone up and we had spikes of uh repairs that were unplanned, unexpected. How do you describe them? You can't say when the graders radiator is going to burst. It happens.

[GM] We don't have an option not to fix it.

[Treasurer] Yeah, there's that.

[GM] Chat Question

"How does the board plan to communicate any increase in dues to members?"

[Treasurer] It will be the annual letter that goes with the um ..

[President] Annual Meeting Notice

[Treasurer] Annual Meeting Notice and this event here um and then I'll continue to be available for anybody who wants to discuss the details.

[GM] Chat Question

"Please clarify did you just say you had \$200,000 excess funds that you're not touched through the first months of the year? Yet, you require the members grant you a 25% increase in dues for the next year?"

[Treasurer] Well it's excess funds that uh until we finish the budget year, we don't know what the end's going to be that's why it's called projected and that's where we started the year but where we are right now last my last projection was about \$130,000 in excess.

[President] And that's been accumulated over time. It's not it's a one-year accumulation.

[Treasurer] Last year was an extraordinary large amount.

[GM] Chat Question

"Does that increase need to be approved/voted on by members or not if not why not?"

[Treasurer] The board devises the budget and submits that to the membership. They approve or disapprove the budget. If they disapprove the budget...

[GM] They're talking about an increase *"Does that increase need to be approved/voted on by members or not. If not, why not?"*

[Treasurer] If you don't approve the budget the assessment does not also take into effect.

[GM] We actually send out a vote.

[President] We'll send out a vote with the Annual Meeting document.

[Treasurer] That's right, that's right. The budget is a separate.. yes the membership approves the assessment increase.

[GM] Chat Question

"Since I cannot see the budget what plan and budgeted amount is included in the budget for contractor provisions of work?"

[Treasurer] I don't understand the question. Anyone else?

[GM] Um, so there's like Base Camp labor, Base Camp materials. Um he's talking contract labor.

[Treasurer] But I don't understand the question, that's great.

[GM] Since I cannot..

[Secretary] Show the line items for ..

[Treasurer] Again, I don't understand the question, so I don't know what to show.

[GM] Well like for example, I just had people come in to do the, uh look at the restrooms for uh remodel downstairs and in the community center - so where would that get paid from I think is kind of what she's..

[Treasurer] Do you have a line item? There's a category called building maintenance. And then there's breakdown of shop labor, Base Camp labor or Wapiti Center labor. There's also categories for materials for each of those locations and that's generally when we do the repair and we're buying the materials where the other one covers the contractor that would send the invoice and have it include their parts so that I'll be in labor.

[GM] In a big project like that, hasn't that come out of ...

[Treasurer] That's comes out of Capital reserves.

[President] Right, so you know the project that we're planning for this early summer/spring is repairing the exterior to Base Camp, that will be coming out of Reserves, Capital Reserves.

[Treasurer] So that means we won't put ...

[President] That's not it Capital Reserves

[Treasurer] We have a budgeted amount to put into Reserves we won't put that full amount because we're going to take um and pay for that bill.

[GM] Chat Question

And then we have a comment, but I think maybe you can probably explain it... *"Why would we vote for a dues increase when you can't follow a budget?"*

[GM] So, I'm going to start that out - the budget is a tool, it's a guide. For example: We all have budgets. Let's say I budgeted \$100 for gas and I go through that. And I get into Fort Collins and I'm trying to fill up my car and I need \$50 more I'm not just going to stand there um I'm going to adjust my budget and take it from somewhere else to go ahead and pay for that and then

obviously if the increase happens maybe I need to take out a loan.

The association is no different um although we we can't be irresponsible in takeout loans but a budget is a tool and it's a guide it's not a concrete because things don't follow that. The greater, we may have budgeted \$5,000 but it comes in and we need to do repairs at \$8,000. Then adjustments have to be made.

[Treasurer] And that's for the excess Operating Reserves comes in to help cover those things.

[President] And I'm going to point out a fact that the budget that we're currently working with was actually done in 2019-2020. It's an old budget. But, we did not get an increase. We didn't adopt a new budget last year. We had this carryover budget from the year before and that's happened before so the budgeting process hasn't always kept up with what our costs were, nor has the revenue. This year we have a very detailed budget and we're projecting for things that we have to cover one way or the other and it, the costs have gone up so we're getting that cost increase in this budget and if we don't get an increase in dues we're going to have to look at a reduction in services and we'll go into that later.

[GM] Chat Question

"The association has money in CDs. Could this money be used to cover the increased assessments versus asking the homeowners instead? What is the reasoning behind this if this was discussed already and decided not to pull?"

[Treasurer] Well, the CDs that are in Capital Reserves are for capital expenses: new equipment or new used equipment for those capital assets, um I say the graders whatever, building maintenance, major projects. Where you have a leak in a faucet, that's under the budget the working budget. But, if you have to repair the roof that comes out of Capital Reserves. The CDs that are uh listed in the Operating Reserves are, I mean you, we could do whatever we want but then when that money's gone what are you going to do you're going to have to replace. That me would be a dues increase and as I interpret the Operating Reserves that is for emergencies for the like of a major issue with getting assessments paid and we have let's say 50% don't pay it for whatever reason. Now that's you know we're gonna have to still operate the services that the Association provides so that would come from that those Operating Reserves. The excess Operating Reserves had been accumulated over the years where they did not spend as much as was budgeted and they just left it in these accounts. They didn't have it uh, by description identified, it wasn't uh no so um that's what uh once you spend that, then then you got to recoup it that's the assessment uh increase. Next?

[GM] Chat Question

"Since the budget was defeated last year you were required to operate within the 2020-2021 budget, correct?"

[Treasurer] No. *"Did you accomplish this requirement?"*

[Treasurer] We're not required. Remember it's a tool, it's a guideline. It's what you're anticipating. We hope to be under it, but if we go over it then you have backup plans to pay your bills to keep the Association operating.

[GM] Chat Question

"Do you still have plans to spend ninety thousand for additional road base in this next fiscal year?"

[Treasurer] It's currently in the budget, yes.

[GM] Chat Question

"Are we paying for the second CMCA to get a license when it isn't required by law?"

[GM] Um I can answer that. The requirement by law is the CAM not the CMCA. The CMCA is another licensing that's International. Colorado required the CAM, that was the state.

[Treasurer] It's part of being a professional operation to get your staff trained skilled in the peculiarities of HOAs. Good business practice. Next?

[GM] Chat Question

"When will there be job descriptions? Be specific."

We have job descriptions, it's just we don't have one for the GM and it is in in the works, but we have job descriptions when we hire people and that's how they apply by looking at the job description.

[GM] Chat Question

“Do you have a strategic plan for the road repair in the coming fiscal year?”

[Treasurer] OK no because we have no idea what we're going to be facing.

[GM] I mean, we do. I've worked with the crew and we've got some specifics that we're going to have to address in the upcoming year.

[Treasurer] But it's not anything they can read and referred to me. Yeah, I don't know if there's ever been one I bet you no one could...

[President] Well, I think you know we have a new reactivated Road Committee, and they'll take a look at things. They're going to make suggestions and see how that works.

[GM] Chat Question

Again. *the General Manager description for GM position*, again we're working on that.

[GM] Chat Question

“Crystal Lake's hired a security company in the past and residents were told that a security company lacks authority to issue speeding tickets. So, what is the guarantee that the proposed security company at a cost of \$21,000 is able to perform this function in issuing speeding tickets?”

[Treasurer] They're not going to be issuing speeding tickets. But, if they see people that are speeding, they'll wave them down, slow them down.

[GM] I remember that we do have um in our uh we do address reckless in our documents so we could always follow up with a violation of that nature.

[GM] Chat Question

“So how does the \$60,000 overage calculate to \$166 per property?”

[Treasurer] You're admit you're mixing numbers. The \$60,000 expenses over income has nothing to do with the assessment increase. The assessment increase of \$166 is based on what we expect our income and expenses to be and we need the 25% increase to cover all the expenses that are not covered by the income of the current assessment and um our services. Next?

[GM] Chat Question

Oh, OK there we go so OK..and then it says sorry continued the amount is 258,000.

OK so it was like I guess she did she used to ... so it says “How does a \$60,000 coverage calculate to \$166 overage calculate to \$166 per property” and then it says “Sorry continued that amount is \$258,000.462.”

[Treasurer] Uh where's getting that number from?

[GM] Must be the bottom line, maybe?

[President] I don't see anything. She'll have to reach out to the treasurer independently.

[GM] OK, um Chat Question

“Budget will be paid presented in its entirety. It's a direct quote in The View.”

Yes, we've already said we'd post the view the budget.

[GM] um Chat Question

“Why does the road crew run the equipment at the shop when they aren't plowing? Is that why the fuel cost is so high?”

Um the crew comes in at 7:30 to get the equipment running. This is diesel equipment and it gels and it needs to be heated up. Um, it is always running before they start and go out, otherwise we're going to break equipment. Um, that probably does add to the fuel cost but it's something that...it's a practice that's always done. Anybody that drives heavy equipment does this, otherwise they're going to have broken equipment.

[Treasurer] In addition to that, it's not just warming up the engine, that's fine, it's keeping the hydraulic fluid warm because those machines will not operate if it's not up to temp. So, if you shut it down to go do something else, you come back out you're going to have to sit there and wait for it to warm back up, why not just.. and when diesel's idle they sip fuel in compared to gasoline engines. It's when you press that pedal is where your expense comes in.

[GM] Chat Question

“One year like this year will we still make a deposit into reserves it will end up in the red is that a required thing that has to happen?”

[Treasurer] We won't, we will be contributing to the reserves. We uh just did it last month for this current budget year and then we're going to spend \$150 of it for the new backhoe. Um..and in in this budget it is forecasted for the reserve study to do a \$255,667 contribution to the reserves. And there might be other uh vehicles that uh or the building for example that we know is coming...it's a small amount in comparison to the backhoe but, um so there's contributions in - spending goes out. If you read the Reserve Study, which is on the website, um they show expenditures every year different amounts where they're projecting it based on the lifespan of the particular item when it might be replaced and you don't have to always replace it with new there's a lot of factors that go into that as far as equipment goes, um and then just because it has a lifespan of 25 or 30 years doesn't mean our particular run is going to last that long because a lot of our current ones were used when we got them and how abused were they when they're being used by somebody else and that's contributing to our repair costs and that goes into how much money do you spend on repairing something versus replacing it? Judgment call. Um, so yes we will be contributing to the reserves but there will be expenditures from the reserves and I have another spreadsheet that covers the reserve status. I'll pull that up since we can look at that while we're going through questions. So, next?

[GM] Chat Question Next one, next question, I think it's more of a statement. It says: *“Contract snow removal.”*

[Treasurer] There's...we have a line item for contractors. Uh we currently have two that are signed up with us. We only use them when there's several things may occur...one or all of them...our equipment breaks down to the point where service is going to be greatly degraded, then we'll ask these contractors to come in and help us while we get that repaired. We get so much snow that we can't keep up with a reasonable service times...and uh what would be this...uh whatever operational needs where we go. And so it's it's a judgment call on how much to um...let's see if am I sharing that or not use them or not. And here's that Reserve spreadsheet let me Zoom it in the uh it's currently at the highest rate last quoted um times 40 hours. 40 hours is in a lot when it comes to snow removal. And we hope not to use them, that becomes excess that helps cover either other line items that go over or it goes into the excess to help us for uh other budgetary challenges. So currently, you can see our...and I've already jumped this ahead to next year we're at 78% of fully funded versus uh a threshold balance of 85% and some of these numbers will change and once we get into the actual 2023 budget year and the threshold balance is where they recommend that you keep at least that amount to prevent special assessments. It doesn't guarantee that you won't have to have them because that's depending on every HOA's peculiarities but they recommended being at least 70%. We're doing good, but we're going to be spending some of that down. You can see down at the bottom right, the uh expenses that the Reserve Study estimated: \$80,000 last year, \$122 this year \$133, \$175, just varies and doesn't mean we have to spend that...it's just that's just the estimated based on Reserve Life of our assets.

[GM] Chat Question

“You currently have a contract signed by a security company. In your email you mentioned the name of Iron Spear out of Longmont. They just started their company last September; their website does not say much.”

[Treasurer] We do not have a contract with them. They gave us a quote, an estimate and that's where our, the \$21,000 in the budget comes from. We still have to research them. We still, you know...

[President] Might do an RFQ, too.

[Treasurer] RFQ trying to find others or...we have been very unlucky finding...we've usually been every year...finally find one company. The other aspect of that of why is it so much more than the previous years? Now they they make their gut, their call on what their costs are and I think that might be one of the reasons they've not done well, not completing their contract is, they under bid it and then they got into the job, and halfway through they go - we're losing money on this - and they bail. That's my opinion. Um and yes, uh that that company is called Iron Spear and we still have to research them more yes, they are new, but the they're veteran operators, so...

[GM] They pulled from...some of them came from Code Four and...

[Treasurer] Yeah they might be military veterans, but I meant veteran security company...the folks that they're not uh, brand new off the...just out of high school.

[GM] Chat Question

"Where are the new bathrooms in the budget? Line item, please."

They're not new bathrooms. They're remodeled. If you've been in the bathrooms downstairs, they need to be remodeled um and Mark if you could address where that money would come from...

[Treasurer] That would come from right here the spreadsheet that's on the screen the capital assets um as a matter of fact those bathrooms by the Reserve Study, I think they're two years overdue - by the Reserve Study! It's not concrete, just like budgets aren't concrete, but they're based on their analysis of the condition, the age of the building when they were last remodeled, the condition of those bathrooms in particular um...and then you decide whether we can afford it once we get some quotes in. Next?

[GM] Chat Question

"Can you offer an explanation of why our equipment is like.."

We've did that already.

[GM] Chat Question um okay ...

"If I budget for gas and go over then I have to cut back somewhere else. Where do we cut back? Where are the adjustments made?"

[President] I've got some information on that. So, you know these are just potential modifications for services because we don't know if the budget will pass or not. We don't know for sure but, to give you an idea:

- Porta Potties - maybe we have to cut that from the budget or modify it.
- What about reducing office hours?
- What about closing those bathrooms downstairs, which cost us a fortune, constantly need maintenance, constantly plug up the sewer lines. Maybe we should just close them.
- So um the other thing we've you know got on the list is closing laundry facilities
- Now, here's a big one...our trash facilities cost us \$40,000 a year. Should we keep it? Should we not? I don't know.
- And then, we're just trying to get ready to open up the campground. Do we have to close? It I hope not, but we have funds to finish it.

So, um...those are some of the things that could potentially have to undergo some modifications.

- Office hours is a big one. So, I don't know right now. We may have to totally shut down a couple extra days.

How would that affect...you know we've tried that in the past and that didn't meet with um...a lot of happiness, but it might need to be done.

So, when we're talking about budget and what are you going to do if you have to adjust...these are just, you know some things off the top that we might have to modify.

[GM] Chat Question

"What was the Capital Reserve a year ago? What is the current Capital Reserve? What is the projected Capital Reserve?"

[Treasurer] I thought we were done with that.

So, a current Capital Reserves just for the Association because I've got some uh the Fishing Reserves are in there too, there's a one million, four hundred and forty-two thousand and some dollars. It was about one million, two hundred and some thousand, because if you take out the 255 that we added last month I would get you about 1.2 something. So, it went up what our contribution was um because we had no expenses charged to it.

[President] Another one?

[GM] Well, this is based on a comment that I said. **Chat Question**

"An HOA budget cannot be compared to your personal budget. You are responsible for managing the expenses for 1557 lot owners."

Bottom line is we have income just like a personal person does and we have expenses, that is what I meant, please take it for what it is.

[GM] Chat Question

"In the past years the staff kept track of duties and times for their day. While this was done for the WSA RRA allocations, wouldn't it be prudent to give the members some justification of the additional starting needs, staffing needs excuse me, since prior to the water and sewer split we also had three full-time field staff and part-time staff and they handled for both Associations. Can you provide details that will justify what the increase of work is to justify another full-time, uh I guess it's field person but they spelled filed."

[Treasurer] Well part of it is just to do the road repairs. It takes uh up to five pieces of equipment and currently we have three drivers so you got to go back and forth. Heck I really wanted two and then you'd have that fifth person who, and even right now this fourth person is going to be doing all those routine maintenance tasks around the uh Association and signs and whether it's repairs here at the building um that uh a couple of volunteers currently are helping the workload. Um uh I'm saying um when I hear the complaints about the road work not getting done that tells me right there we not, it takes the three and really we only had the third person on road crew just last year and that person was learning until they left and then we got a new person um it really was only two people but the third person was doing that, all that common maintenance handyman maintenance kind of things. Um, look at that.

[President] I think the other thing to consider when you talk about increased needs on road maintenance, we are now well over 50% build up. We've had a tremendous amount of use on our roads and if I go back you know five years we didn't have the same traffic loads that we have now and that traffic really in fact really affects gravel roads. And we'll never be able to afford uh without some huge special assessment, paved roads.

[GM] Chat Question um

"Is there some reason for the job descriptions for staff not on the website?"

Uh I don't really know of anybody who posted jobs on the website, except when they're hiring and we do do that.

[GM] Chat Question um

"Has the Board or GM received an analysis for the road materials that have been purchased the past few years to determine if being proper to our application."

I'm not sure what that means...sieve analysis? Um have you received an announcement?

[Treasurer] You try it on me again?

[GM] Repeats **Chat Question** it just says

"Has the board or GM received sieve analysis for the road...?"

[Treasurer] Sieve analysis...yes that's the uh someone's claiming that's something you're supposed to get when you purchase road base. That is something I'm researching. I have no answer for that yet. I'll say it wasn't in the invoice.

[GM] My guess is though that that would be if we were going to do our roads correctly, but we'll never have enough road base to build up our roads how they need to be

[President] It also has to do with quality.

[GM] Well, we do do that on on when we're doing a certain um area of road, um well Steve is very familiar with that

[Treasurer] And that's where I'm making sure that that they're using the term correctly in our application of road base. My interpretation is that there's the question of the amount of fines the stuff that makes the rock stick together. Um Jack Goodall was telling me it was some routinely 5-15% is the normal number. But then he talks about okay once you scoop it up and then dump it here...what happened to all those fines between the found...the Quarry and here and then you got to scoop it up and how do you mix it we don't have a mixer to mix it on site to make sure it's uh so anyway yeah we're going to find out just what how that applies to our usage of road base, if at all. Next?

[GM] **Chat Question** um

"I understand that some Community needs are stable, road repairs and maintenance, etc. On the recreational side have you ever surveyed the membership to confirm, assess their recreational needs? Some members might be willing to pay to additional recreational opportunities, for additional ..."

[Treasurer] Oh, I remember when the last survey was done. So, I don't have an answer to that. Um...

[President] Well, I've got an answer...

[Treasurer] We can do a new one...

[President] We've had different groups approach us in the past for different recreational things and they've come up with solutions like the playground, looking at potential for the campground, looking at other areas, many times they wanted a pickleball court and they started looking at it I don't even know where that wound up...but there was a group of people that were looking at it. Probably too expensive for what we can afford.

[Treasurer] And then where they wanted it, would take away parking from here, there's going to be over there as I understand the east side and then how do you handle all your events?

[President] Yeah, so I think it you know it's an issue as as people bring ideas forward and they have solutions for those ideas we're happy to entertain those.

[GM] **Chat Question** um

"What is the total dollar amount of the raises that were given to FY to the employees who were only making minimum wage last year?" um hold on here...

"What is the total dollar amount of all the raises that were given all employees and how does that total raise amount compared to the total suspected amount that the HOA will be \$60,000 over budget at the end of the year?"

[Treasurer] Well it's not that much...I can say that much um...If you tell them what the percentage increase was

[GM] It was 15% for the ones to bring him up to at a minimum wage to an acceptable. Oh, that was 20.

[Treasurer] But it tells them exactly what the wages then ...

[GM] Well we already said that before...

[Treasurer] Oh starting range

[President] And that was starting wage and then you know every year...

[GM] That was the whole misconception is they thought that the 20% was straight across the board

[Treasurer] Oh no

[GM] And it wasn't...that's...that was the big misconception.

[Treasurer] Yeah...the uh well it gives you an idea because our new starting wage for the office is 15, so. Now that's the other thing is the actual dollars it's apples to oranges because the full-time people if you get any pay raise they get is going to be twice as much in dollars as the part-timer because they're only working part-time. So, you can't say how many dollars went to here it's what were their increases and that gives away personal information, so.

[GM] And then he wants...I guess he's wanting to know...that if that...uh it says uh...

"To the total suspected amount that the HOA will be \$60, 000 over budget at the end of the year."

[Treasurer] Well, and another thing about that 60 um, around 20 was for the campground...the Board has to decide sooner or later...soon uh...is that an asset or an Operational Expense. if it's an asset then it'll come out from the Capital Reserve funds. Um what else did we have...uh big expenses on the graders and the loaders...um that's a...put us...a big chunk of that 60. So, we're already down to 40...and I'm want to say we had a couple other questions on whether it's a reserve or asset that we hadn't finished finalized yet...so that that's another aspect of that 60 is this is some of that stuff Capital Reserve or asset? Now

that's the Reserve Study issue. But uh there's a motion...um I'm thinking it was 2, could have been 3 years ago...uh that uh the Board approved making video equipment a Capital Reserve asset. The Reserve Study says you should be um a half to 1% of the Operational Budget...that's a guideline that they picked out of however they did...um so basically we need to be about \$7,000 dollars. Well, our video equipment isn't \$7,000.

Um the mailbox pedestals are in the Capital Reserve listing. They're right now just \$2,000. Why is that in there?

The campground's not. The storage area is. So, there's a few things that need to be worked on.

[President] Yeah, and I think you know, the Capital Reserve Study has been done over the years and I think it needs a really fine tune because I do think the bridge should be in Capital Reserves. So, um you know...

[Treasurer] And that's a new one, yeah the Selder's Causeway...is that going to be a Reserve or Operational?

[President] And I don't think you know so those are the discussions that are ongoing.

[Treasurer] OK...

[GM] Chat Question

"Exactly what is the \$40,000 for mitigation? Please give a clearer explanation."

[Treasurer] There is no clear explanation. Well, there is a clear explanation, I can't give you a detail because we don't have specific projects. We just have that amount of money. It was \$65,000 the previous year, so we've dropped it. Um and it was unspecified projects but to try and start allocating money to get to work on our greenbelts. So, this is to fund anything that we can't get uh grants to cover. Um whether it's a greenbelt management uh committee project or Board decided project. Uh, RFQs? We got four major projects that need to get worked on: Base Camp and the whole Track D area around the campground and over to the maintenance building; the uh Track I which is a semi under the new grant...semi it's it's our thing to take care of; um the maintenance of the previous grant area; and um, what's the 4th one...Oh Hidden Park it's the new project has come up. So, we're funding...uh having some fun...so we can work on those projects and when that money's gone well that's as far as we get that year on trying to protect this property. Yeah, so that's the other thing, RFQs need to be worked on and that's coming for these projects to see what the volunteers can do versus what we'd have to pay an outside contractor to do...to try and get as much at the volunteers, but there's only so much time and so many volunteers available. Next?

[GM] So, um the person that was asking before of the Assessments and the 166 and quoted that 258 000 she was taking the 166 times the properties on the lot. Um so let me go back to that question, um so she says:

Chat Question

"So how does the \$60,000 overage calculate to \$166 per property?"

And then that's when she says the 258 and it's at 166 times the 1557.

[Treasurer] Yeah, so I thought we answered that on the uh

[GM] Well, we were looking for where that 258 came from...

[Treasurer] And she took you know so that's the increase in revenue yeah yeah so that has nothing to do with that 60 000 for this year because that's this year's potential expenses over income.

[GM] So, the next one is...oh hold on here you kind of knocked me out when you change your screen

[Treasurer] Oh, I'm sorry

[GM] okay so **Chat Question**

"Was there any trimming down...was there any trimming done to budget where we wouldn't need monies and what were they, if so?"

[Treasurer] Pretty much every expense here is a need. So, trimming when uh inflationary costs are hitting every category...now we've done some savings by for example, we just switched over to T-Mobile what do they call it T-Mobile...T-Mobile Gateway no Gateway that's right because there's T-Mobile and then it's the special Gateway and that's going to save us over \$2,000 a year. Not a lot, but it's a savings uh over uh our CenturyLink service which was less than stellar. Um...

[GM] We used to pay for website for a contract we I took that over..

[Treasurer] That was over \$2,000, \$2,400 uh a year and now it's uh done by the manager in addition to our already full-time job.

[GM] And then we do do some savings. For example if you remember, um a couple uh meetings ago the Board allowed us to... to buy a floor jack for the for the shop and..and this was to to raise heavy equipment because prior to that, we didn't have a beefy Jack and they allowed \$7,000 and and we..we ended up spending a little over \$5,500 so, we do save where we can. I mean in fact for that we actually looked around for a coupon and found a \$250 coupon so we...we are being careful with the money.

[President] I think the other thing is that we do try to go for three quotes on any anticipated need of our you know purchase that we need. And that is you know, following standard practice for purchasing the kinds of things that we're looking for. We're not talking you know just the paper goods, but the major items.

[GM] um **Chat Question**

"Glacier View posts every week what they have been working on the roads. We have suggested that for 3 years, but it doesn't seem to happen. It would be...it would help us to understand what is going on and allow us to vote Yes on an increase, otherwise why would we?" ...um

[Treasurer] That's a time-consuming job for the manager and that's..maybe it can happen with having this extra part-time person to help free some time for you

[GM] Well, and keep in mind I think people have been complaining about the roads forever and the cliché of the roads are worse than ever is...is such a it's a cliché...because obviously they're worse than ever and next year the same cliché is going to be used in the following year. It's going to be used with...with 3 field crew...we're not even catching up, we're just trying to get by...so um I..I don't know. I mean we look at the areas. We start planning early um and...and we focus on where...where maybe first things are unsafe...um we take care of those...um sometimes with ditching we run into problems because we have to call CenturyLink and then they take a while to come and move their lines. Um it's it's...it's really hard to do. But hopefully maybe with the with the road committee we can...we can have a list, but again that...that doesn't mean we're going to be able to go from one to two to three because there could be a hold up. Um what if one of the pieces of equipment that we need to to carry road base um breaks down? Then we need to move somewhere where maybe it's it's more uh ripping and and uh and uh maintaining the road that way before we can lay down road base. So, um I'm glad Glacier View can do that. I don't think they have 86 miles of roadways like we do. Um but I mean we can try to look at that, but it's a tough one.

[Treasurer] There was a time that you did post...

[GM] That was when...

[Treasurer] Again that took a lot of extra time...

[GM] It does take a lot of extra time, but anyway okay...
um again the budget...

[GM] **Chat Question**

"Doesn't the equipment have heaters that can simply be plugged in overnight, wouldn't that be more efficient?"

Uh, we do plug them in at night. In fact, we just had an electrician over at the shop to add another circuit so that we can plug in the new grader. So they are plugged in overnight, but they still have to run for a little while to get all the fluids into the entire equipment.

[Treasurer] That just keeps them from gelling solid.

[GM] **Chat Question**

Um why are we buying a brand new backhoe? I have seen a lot at sales in great conditions for a half the price."

[Treasurer] Recall how do you do this uh and we don't have the uh

[GM] he wasn't big enough either remember?

[Treasurer] Oh there's the I got to get the right size um...our procurement process is not the speediest because you got to get the quotes, then you got to get it through the Board and then you gotta...oh that's sold...um, versus new. The other aspect is

um let the person say don't buy other people's problems so it's a yeah it's a tough call whether to buy new versus used...um but that's what your asset...that the reserves are for..um...

[President] And as you recall that last year we bought was a used rate

[Treasurer] Yeah

[President] So, if you can find something used at the time when your other piece of equipment breaks down we look at it. That doesn't always happen.

[GM] And in this case we also evaluated that the current backhoe that we had did not have the power to do some of the stuff that we were doing so it kind of gave us I guess an opportunity to...to upgrade to a larger equipment. Granted we could have went with a used one as well but again when you buy used you buy all the problematic problems with it as well so I don't know it's a judgment call as Mark stated.

[GM] Chat Question

Thank you for confirming that you view the budget as a tool and that you can move money between the items if you need to. So, if the Board lists a large budget...budget item, like the \$21,000 for security...for the security company to justify a request to members for 25% dues increase and the Board later determines they won't need that much money, what guarantees that the Board won't spend our or reallocate that huge planned budget line item amount on something else that the membership doesn't approve of, like increasing salaries again or a pet project like pull off at Bear Gulch?

[GM] You know we're no different than Larimer County. I mean you pay Larimer County taxes and you elected those officials and you trust that they're going to use the money in the best way. It would be nice if our membership would do the same with the Board. They're...they're not spending the money on anything extravagant. We're not planning a Mexico trip or anything um and that money will probably be put into to reserves and then maybe next year we don't ask for a raise an increase in assessments.

[GM] Chat Question

"What was the justification for spending over \$150,000 for a new backhoe?"

[GM] I think we already talked about that um but it's uh she goes on to say:

"By using spend some of that on a piece of equipment so that staff could clean out culverts."

[GM] They do use the backhoe for that.

"So, if you believe the proper thing to do is let equipment pieces run for..."

[GM] I'm not going to comment on the two hours unless you sit there and time it for 2 hours...um

"As observed... peel companies adapt their..."

[GM] I...I don't I don't know if you want to answer this, It's really just comments and not very nice, um...

[President] Let's stay with questions.

[GM] OK Chat Question

"You went over 60k Stella said you have to cut back if gas costs more than last year...where did you cut back this year?"

I was using an example. I have my own personal...if I had a budget of a \$100 and needed more gas...am I just gonna thumb-it? I need to pull the money from somewhere else. I don't know...

"Where did you cut back this year?"

We...we said some, several examples: the website...um...you know um...

[President] Yeah, I think sometimes the questions are too long. Specific questions would be nice. However, we make every effort we can to be conservative on what we're purchasing and how we go about that purchasing.

[GM] um **Chat Question**

[GM] This person is accusing us of threatening them for bathrooms and trash, campground. it wasn't a threat it was just basically saying that if we don't get an increase...we will have to make modifications. Obviously, we will not be able to function on the same budget as last year with all the increases.

[GM] **Chat Question**

"Can the Board agree to provide the chat transcript on their website?"

[President] What?

[GM] They want the transcript on the website.

[GM] **Chat Question**

"One of the more common percentage is based on budget is the 50-30-20 rule. The idea is to divide your income into three categories: spending 50 on needs, 30 on wants, and 20 on the savings. What percentage rule do you use when creating our budget."

[President] All based on need.

[GM] More comments, okay? Um...

Chat Question

"For several years the Board and General Manager have allowed the Board to take excess funds at the end of the fiscal year, and roll those excess funds forward into the next fiscal year."

[GM] Um no, we don't do that

[President] Operating Reserves

Chat Question, cont.

For years CCIOA seems to state the excess funds can only be dealt with in three ways

1. Move them into Capital Reserves

2. Refund them directly to the membership

3. Credit them to the membership in a reduction of the next fiscal year's dues

So has the board violated [GM comment: "No"] CCIOA for several years by rolling excess funds forward?

[Treasurer] Some other people need to explain that. I wasn't here doing that and that's the whole point is, we didn't know that there was this excess money. It was just yeah and it was I don't know if it says Capital Reserves or just Reserves and so thus, Operating Reserves is a category of Reserves...that's where the money is...um and at least now, I show it to you every month on the treasurer's report on the balance of the Operating Reserve and excess Reserve.

[GM] **Chat Question**

"Um...why does it take 5 field person to do road repairs? One person from the county was doing road repairs last week."

[GM] So there's five pieces of equipment: you need the grader, if road base needs to be laid down you need the loader to load the dump truck, you need the dump truck, you need the water truck to water the road and if you lay down road base you need the roller that's five pieces of equipment.

Um...let's see...I guess they want paved roads.

[GM] Chat Question

“Um, are we only contracting for fuel for one year? Are there plans to contract for fuel costs for longer than one year at a time?”

[Treasurer] That's been looked into. We don't have a contract right now. Is that is whether that would uh if we're big enough that they would consider us to do a contract. Um, but currently no it's as we need it we order just like the propane it's uh market pricing and which is I've been looking at that I've been doing spreadsheet comparing what the prepaid contract versus ...ah, I forget what they call it...but where you just say we're going to have we'll buy 2,000 gallons this year and you get a rate that's not as good as the prepaid, but it's better than the market price. Um...the company we currently use is only does market pricing, but then you have to factor in changing out the tanks because one company will not service another company's tanks. So, um yeah, that that's been looked at as a way to try and save some money and along those lines we are also looking at the potential of um putting in...this is only work in the maintenance shop...but used oil burners, heaters, I got that right sentence. Um, the challenge we have there: first the installation costs be, last I/we checked was \$15,000 dollars. Um the they will not deliver that, we only have one service company uh out of Denver. They will not deliver oil up here. We'd have to go get it um you put it in 330 gallon, those plastic tanks with the metal cage around them, so we could get four of them, because they estimated we need 1000 to 1200 gallons uh a season and we go we could go buy it but then you got to have staff time to go get it there's the the cost of the gas on the dump truck you have to factor that in ... but the last price they gave me was \$1.98 a gallon for used oil right...if you pick it up at their location.

So, depends on how propane goes...it could get more attractive and that would save us on a lot of propane not a lot all of it because two-thirds of the propane is here from the Wapiti Center in the community center but uh it's it's something that's being researched.

[GM] Chat Question Um the next couple questions have to do with the campground..um uh

“\$20,000 for campground we don't make that much so no, it is a want not a need”

“Has the board actually asked if anyone wants a campground?”

I don't know if you want to answer that?

[Treasurer] Well um we've been having it all these years. People use it when they're building on their properties and they can't fit their camper at the same time the work has been done so, that's a value to those members. Um there's the guests that camp there. Now as far as \$20,000 correct, but once this work is done it's going to last for decades of value. It was fixing the sewer lines that should have been maintained over the years that never were and they got blocked up and we had to dig out, find those the blockages, to get out repair it. Um, the water service...um we had to fix the cistern so it uh the pump could work to pump water. Um, we learned that we the all the lines to all the sites would not hold pressure, air pressure, so thus they wouldn't hold water pressure either and to fix all those would require a lot of trenching and that would be cutting across the sewer lines and electrical lines and that was...so we dropped that that. Only one site is getting water because what was pushing a lot of this is the idea of getting what to loosely term “Camp Host.” Um...but if they're not really going to host the campsite they would be a supplement to the Safety and Compliance committee who tries to cover Friday, Saturday and Sundays and even Mondays on the...the week holiday weekends – through staff the checkpoints. the staff the trash compactor before we had the locked gate. Um and uh to have a Camp Host somebody's going to camp for all... all summer you need all 3 services or you get nobody who would take it. So, you need water, sewer and electricity. So, we had electricity. We had to fix...fix the water and sewer and then we were hoping to make it also available to the other sites. So right now they only have for the RV sites. they have septic and electricity, with water they'll either have to go to the small water fill come full for the...the time they're going to be there and then they'll have the spigot on the side of the uh uh cistern shed they could use the like five gallon uh containers to fill up their RVs to supplement what they might have brought. Um...it was determined it was a **need**. It was servicing the number of factors and here we are.

[GM] Chat Question This next question was asked again, um...

*"The board voted to provide all employees a raise in FY 2022-2023 even though there was no increase in dues to cover the raises. So, what is the **total dollar amount of all those raises**. We don't need to know percentage per position, we just need to know **total amount of all of those raises combined** that will not give away anyone's personal salary."*

[Treasurer] I don't have that number in front of me, so I'd have to get back to you.

[GM] Chat Question um so OK, um the next one

*"For the employee salary increases has the Board considered using the **Quartile** um system like Colorado State (**State of CO**) uses? Uh.. This means that each year an employee whose pay is the lower quartile of the salary study is given a cost-of-living increase..."*

[Treasurer, interrupts the member's question with this comment] And no one else?

[GM, laughs and comments] Yeah, Huh.

[GM finishes reading the member's question] *"...and possible performance pay if warranted, to bring them closer to midline pay. Those employees who are making over the midline pay for those job descriptions are given a one-time non-salary-based building bonus."*

[Treasurer] Well, they got a huge HR department to do all that.

[GM] Well, I did present that model though to the Board last year. I want to make that clear. I gave you guys the...the CSU

[Treasurer] Tiered and all that fun stuff, well...

[GM] Just kind of an example and but we...we have looked at it...

[Treasurer] It's still going to be more expensive than how we're currently doing it

[GM] I just wanted them to know that we have explored that.

[GM] Chat Question

"What is the utilization of the campground are the revenues covering the expenses?"

[Treasurer] Current budget was based on 120 camping days. We took...Oh let me share that...So we hope to, that's the plan if you have the right number of camping days by the rate that we're charging and we'll cover all of our expenses.

Let me get to that campground...campground...there we go. So, you can see over the past till 2016, I have the number of camping days. The data was not the greatest. How...how the records were kept so I um..I came we had a high of 164 in 2017. followed by last of the 2021 148. So I went with 120, trying to be a little conservative, and with all of our expenses that were you projecting ... um that making a \$35. Now, if we get more than 120 rental days then we will definitely cover our expenses if we get less we won't. It's a...who knows. It's depend...it's demand that will vary. As you can see over those years. Uh, so I think that answered it.

[GM] Chat Question um this person's asking

"If there were 3 quotes for the backhoe."

[Treasurer] Sorry?

[GM] This person's asking

"If there was three quotes for the backhoe."

[Treasurer] No there were not. The goal is to try and get them but when you're trying to buy from a CAT you only have one supplier because we're trying to keep our equipment by the same manufacturer. Uh same thing I know that we're trying to do with the pickups is I'll have the same brands or it's uh you get better service from the dealer when all your vehicles are coming from them.

[GM] Chat Question

"How are road work permits prioritized?"

[GM] Um as I said before we definitely want to address anything that's a safety issue first and then it's a matter of just addressing starting to hit everything that needs maintenance. If a piece of equipment goes down, like I said that we needed to lay road base and we don't have that then we move on to something that maybe just needs ripping and uh and grading. So, that's kind of how um...If there's drainage issues we address those as well.

[GM] Chat Question

"What are the primary uses for the backhoe and how many hours per month?"

[GM] I'd have to ask the road crew.

[Treasurer] And that's going to be a variable.

[GM] I know

[Treasurer] But it's a needed piece of equipment.

[GM] Well it's used for ditching for sure and with 86 miles of roadway and ditches on both sides so that's a prior...um a use a primary use for it plus we do a lot of work for the fishing for dredging and stuff doing um

[GM] Chat Question

"Are purchases made via credit card? Do we pay those timely or ever charged interest?"

Um no we pay our bills in a timely manner. Um, I think we got a finance charge once because um maybe a check wasn't received but we were able to reach out with to them and because we had a good uh credit they they waived that but no we generally don't pay finance charges.

[Treasurer] And we earn a bunch of...

[GM] We do

[Treasurer] We put so much on that card...

[GM] Mm..hmm..that we earn credit points yes um

[GM] Chat Question

"What does the board believe they have done to earn trust?"

[GM] Tell us what they what they've done to NOT earn your trust. Let's be more specific. Um...

[GM] Chat Question

Have you promised what you're selling okay um I have not been able to hardly make it...oh OK ...

"I have not been able to hardly make it with expenses I have this year and yes everything has gone up would there be any chance you will try to conserve and not raise the dues every year if you receive this increase?"

I'd like to think we are an Association that looks out for the members so that we can afford to live here.

[Treasurer] That's why we believe we have a low-cost operation. There's very little, if any, fat in the budget and then you get into what is you know one person's meat is another person's fat and another person's bone. Um that's why it's really hard to cut because everything is essential to me...without modifying the services that are provided.

Um yeah...

[GM] Chat Question

"When will the membership be given full information regarding the astronomical costs for insurance? You are obligated to provide the membership specific information when asked. Breakdown for costs on each policy it will be provided to the membership on what date? Both current costs and anticipated?"

[President] We know that the anticipated cost. We've been told to expect at least a 15% increase. We have just recently gotten some information from our broker and we're we are going to be sharing that shortly.

[Treasurer] Because you go okay...so you'll know the numbers for each category. Then what are you going to do with it? The quotes from the insurance company basically at our level are not negotiable. The take it or leave it is what they'll say... If we...you can't tell them no we're we'll only pay \$20,000 for property insurance instead of X. Um you know I know I just you see the uh the the..the broker went through at least I know at least 10...I think it's more like 15 companies. You know they're searching...that's their job is to find insurance products for us and company after company 'Nope, don't want to deal with it. Too risky.' And then and then we get what we get. And our insurance is not the same just because we have bigger building than let's say water and sewer. No, we have other liabilities that they don't have. We have all the recreational liabilities of the lakes, we have uh (the bridge) the bridge, (trailer storage) trailer storage and they don't the line item trailer storage we're going to charge you 50 bucks, a bridge we're going to charge you 100 bucks they know...they they group it as a... their assessment of what payouts they might have to do and then they charge us a rate for that will cover their costs if they make a claim on it.

[GM] Um, so we know that there's been some people that expressed interest in this. So, we did reach out to our um (broker) yes, and they provided us with a list of all the policies and the coverage and I will be posting that um in on the website probably tomorrow along with the Certificate of Insurance.

[President] Yeah, we just got some of that today. Whoa there's a spider crawling out for me

[GM] Chat Question OK, um, oh someone says also

"Mention the value of adding a Camp Host if you get a chance."

[Treasurer] Yeah, the value is it oh well I guess I started on it. So, the number of hours...I'm not going to do the math in my head, but there's Friday generally we start 9 or 10 in the morning I believe and you're going to 6 or 7 at night. Then same thing on Saturday and on Sunday. Well, with a volunteer committee up I think we're at 8 maybe 10 and we'd like to have 2 at a time um that doesn't give you much coverage and then we also want to enjoy our time up here and sometimes or we have off-mountain trips or vacation, uh you know illness, just other obligations or you're volunteering with another committee that uh greenbelt...and you're going to work with them on that weekend and I can't do security.

So, the idea is that this Camp Host, their pay is the free camping. And they then they work 40 hours a week or 36 you know that's a wishy-washy what the final number would be...so that's 40 hours a week times uh 15 16 weeks?

Do the math on...pick up a labor wage...easy math would be 20. And that's the value that having that quote-unquote campers. I was calling it seasonal security...um but then we started calling the contract seasonal security too sorry ... oh um.

So, the 20 000 will quickly get a payback by the labor hours that these people would provide at our checkpoints.

[GM] Chat Question um

"You overspent this year's budget by 60 or 130,000 or somewhere in between, because the year has not ended yet correct?"

[Treasurer] Correct...correct except that we're projecting to be 60 Grand over (GM: okay)

[GM] Chat Question continued

"Where in our governing documents does it allow the board to overspend the budget by 25% without membership approval? Do we have a spending cap the board is allowed to spend without a membership vote? I thought CCIOA says no more than 20%"

[Treasurer] Uh and remember not all the things in CCIOA apply to us because we're pre-CCIOA Association...not to dodge the issue um no you don't have a say in what we overspend it's the cost of operating the Association and we...since the assessment hasn't uh kept up with the expenses and the huge inflationary costs increase in the last year-year and a half and that's where we end up. And remember I said of that 60, 20 right off the top of my head...potentially is coming out of Capital Reserves if I can convince the rest of the Board that that should be a Capital Reserve asset not an Operational expense...so now we're down to 40 right off the bat and I believe there is another item in there and then like I said we had some major expenses on the uh heavy equipment that you can't plan for you we had a budget but it was 10 grand or was it five? Ten grand this year, five last

year ...um and they exceeded that because that stuff is not cheap. We had a valve, uh where they were plowing, I think it was last week, the valve uh blew apart it was a cast iron valve, \$500 for this valve, you know it's a high-pressure valve because it's in the hydraulic system. Um fortunately for us we had one on hand and so the equipment is only down the time for the road crew to repair it...which is another thing that we are very lucky - our cost would be much more if we did not have one of our the road crew is a heavy equipment maintenance...that was his background, back in the day um and then he's been teaching the others and uh and uh and they have their own mechanical backgrounds, but not on heavy equipment but they're learning it a lot of it's just a matter of replacing parts um that we can do with it because if we are having a CAT come up here, one you gotta wait for him because they don't have a huge staff and then um it's like at least a grand just because of the travel time then you throw the part in top of it and 1500-2000 easy for routine repairs much less what we're just encountering now with the backhoe um not the backhoe, the loader...um so there was a leak of something off the radiator but you had to take the radiator off and then they discovered more stuff that you couldn't see because it's behind the radiator so we're we'll see what how that final cost ends up um because it's currently at 8,500 and we'll see if it how high it goes from...

[President] So we have less than 15 minutes left, how are we doing on questions?

[GM] Um we've got quite a few but again, I'll have a script that I'll give Mark,

[President] Okay.

[Treasurer] And if you don't want to you can always email me directory, directly at the treasure and I'll respond to your question.

[GM] Chat Question um

"Now that we have had this town hall, what happens next?"

[Treasurer] It goes out into the Annual Meeting mailing for you to vote on...the assessment increase and the budget.

[GM] Chat Question um

"How many campground days were used last year, camping days."

[Treasurer] Zero. We had to close it because of the County. In the process of the greenbelt committee working on...I think it was greenbelt...get the right committee...no whether they're researching campground rentals, short-term rentals and you can't do short-term campground rentals in the County and we go..."uh does that apply to our campground because we're going...well our campground is not open to the public...it's open to the members and their guests so it's semi-public'...So we went in front of the uh uh County and um by the time we got them to allow us to uh operate the campground until we could be quote/unquote permitted...because we're not following the permitting process which would cost um upwards of uh \$8-9,000 we might get we're...we're still waiting on it a letter of...they call it Letter of Determination. I don't know what that that's government talk...basically my interpretation is because we've been operating for so long they're going to let us operate but we would not be able to expand it. We don't want to. Um they only allow 8 spots per acre and ours is 1.3 acres, so we're at 8 and that's how many we wanted. Um and we were asking to be waived on some of the requirements that uh that wouldn't really apply to our campground the way we operate it and we're still waiting for that determination...that was last summer. So by the time we got that...it was...the summer was shot so we didn't even try to open it so we had zero rentals last year.

[GM] Chat Question continued ... and then she just made a comment that it says... *"It's not profitable"*

But remember we're...we're not here for profit. We're ...we're to try to serve the...the membership and give them um services.

[Treasurer] The goal is to try and break even there...as close as possible. And you can see that my spreadsheet that's on the screen. Estimated expenses budget of \$4,200 dollars at 120 uh campground days and I didn't count tents, because the historical numbers for tents for the last several years...um was maybe three, four um days a season so I said I'm not going to count it as \$20 a day. So um so I just did it just for the RV campers and so that's how the \$35 is determined 120 into uh 1400 um gives you \$35 a day.

[GM] Chat Question This person said:

"Stella just said that the backhoe is used for dredging for the Fishing Board. Do they pay RRA for that time on equipment?"

[Treasurer] They're going to. That's the decision was last year. If we they use it, then we're going to charge them our rates."

[GM] Chat Question um

"Who selected the insurance broker? Are they not other insurance...are there not other insurance brokers who might give a better quote and who selected the printer from Parker Colorado used for last year's mailing? Was that the best option to (for) cost?"

I can answer that one. Absolutely! Um I had used him for 3-years. I went out for a bid um the prior year...that first year and then I used him two more years he gave me the best quote um and he was able to do everything in-house. I didn't have to drive to Denver to deliver anything. Um he was able to do everything in-house so yes. I did. And then who selected the insurance broker?

[Treasurer] How many years ago was that?

[President] I have no idea.

[Treasurer] Same broker that water and sewer uses. Their job is to search all the insurance companies that I presume they're not restricted to...I mean they're not going not a one company thing

[President] No this this company this...this entity services Metro District Special Districts HOAs they're not like a Home Broker they don't do home stuff.

[Treasurer] So yes I guess we could put an RFP out and see what next year brings we don't have time now um but the odds are ...Is that a good one?

[GM] Yes...*"What are you going to do about the spider problem in the area where Cheryl's..."*

[President] I gotta go wash my hands.

[GM] That was cute, thank you.

Not a question, just to thank you for answering difficult questions tonight. Looking forward to a summary, thank you.

um let's see it's 7 51 so I'll just keep going until...all right...

[GM] Chat Question

"When a question is asked of the board why is the GM answering for them?"

[GM interrupts the question] Because sometimes I know the answer (laughs)

"... for example the question is the board what are you doing to earn the trust of your membership?"

[GM interrupts the question again] okay that's a fair one

"I would like to ..."

[Treasurer interrupts the question] Conducting the Town Halls, the open uh sessions on the budget, we present uh the budget every month at the treasurer's report, um I reply to emails when people ask, I've sent my spreadsheets to those who want to see the details, we're open...

[President] And I think each of the Board Members has a liaison to another committee they work with them. Right now I'm working on a million dollars' worth the grants for the association...we're busy...and we spend a lot of time answering questions.

[GM] Chat Question

"I understand costs keep going up shouldn't we be charging more than \$35 a day for the campground it's been the same charge for a few years or maybe you did not increase the cost per day I just don't see that."

[Treasurer] Well it used to be \$30 and now it's \$35...um

[President] It may have to go up once we get it

[Treasurer] Well, we used to have...oh yeah...and then we also dropped the uh...

[President] Tent site

[Treasurer] No, no, no, no no the uh the weekly rate so we used to get six days for the...right seven days for the price of six and

we dropped that um just because we don't know the variable of how many rental days we'll have um and trying to we're trying to keep our costs down we're not trying to uh...I know we could provide fancier services because remember we're trying to break even. Um we saved money on the uh...not saved money...we reduced the cost on the slash from \$6 a cubic yard to \$5 because we have better data than we had going into this year and better um accounting for the actual slash that was going in that we have indications that not all the slash that went into the pile in previous years was counted ... and so once we had this we saw how good the year was um we dropped three because we're not trying we're trying to provide services as best affordable as possible and still cover the costs

[GM] Chat Question

"Um, why did we give salary increases when the budget was not approved by the membership?"

[GM] They're 2 different things.

[Treasurer] There's that um and it is essential... the Board felt is essential for employee retention that we...especially for the 5 positions that were at minimum wage. That was going to...it went up 8.6% this year from last year so we're just trying to get a little bit ahead of the game and to try and be somewhat competitive for the limited labor pool that we have in this area. So, the Board decided that it was best for the Association to do some fixes to the pay rates.

[GM] Chat Question we've got five minutes um so...

"Search just revealed that inflation for the last 12 months was 6%. Mark how can you classify that as a huge increase?"

[Treasurer] The CPI is 8.9% for a Colo... 8.7% for Colorado uh that's what the uh...

And I believe the minimum wage went up either 8.7% or 8.9%so 6% mmm?

And do you believe that? I don't because my gas is doubled! My eggs are tripled!

I don't want to get into political things about believing the Government's numbers uh they don't have a great track Record! If anyone's challenging anybody's integrity they need it.

[GM] Chat Question

"Um when the increase fails will the board survey the membership to see what services should be cut?"

[Treasurer] Oh yeah, we can do that, and then...but we gotta also what...what services are cut versus the actual dollar value of that cut...as far as trying to cover...that that's two different things. And I tell you, you can cut the campground that's \$4,200. You cut the safety contract uh...the.. the security contract that's \$21,000, so...

[President] You cut garbage is 40.

[GM] Chat Question

"Um, will the questions and answers be provided to the rest of us, if not answered during this Town Hall?"

[Treasurer] Um I don't see how.

[GM] I'll just answer them and they can um...

[Treasurer] Again, email me with your questions. Um because how do I if I'm replying to individuals that don't get answered tonight how am I going to send that to everybody? Are we're going to post that somehow on the... I'll let the Secretary uh...

[GM] We've actually got just 4 more, we've only got four more so...um let's hurry **Chat Question**

"um it was not in the budget you were, required to..." oh hold on they keep uh...

"It was not in the budget you were required to abide by, live with your means how are you going...how are you doing that by giving raises that are not allocated?"

[Treasurer] Not sure why you mean not allocated but if you're meaning why did we raise the pay last...this current budget year as I stated is for employee retention and we have a horrible time getting anybody to apply for our positions.

[GM] here's another one, oh sorry yeah go ahead, okay um

Chat Question

"Mark you previously provided information about the laundry room. I remember you saying it is well-used. I don't really see it busy and I'm wondering if anyone has thoughts about allowing RFL residents to purchase the use of our laundry services perhaps a monthly pass with a code for four entries or two maybe this would be a hindrance but maybe we could help offset the expense."

[GM] I like her thinking outside the box.

[Treasurer] It's an idea...um when I mean I don't know about the numbers of people use it but the usage of the machines...it's they get hard usage...um even these are commercial graded equipment you know...people bringing you know...just like renting a car, the things that people do to rental cars versus their own cars. Your rental washing machines and dryers what they throw in there...it beats these machines up and that's why they last about 2 years. If I recall the usual turnover rate.

[GM] And with that it's 7:59 and I have no more questions.

[President] Well congratulations.

[Treasurer] All right

[President] So, I want to thank you all for coming. The Board is talking about trying to set up some coffee hours so you can ask some individual questions that will be in-person only, though. So, we don't have a schedule there yet but we're going to work on it.

[Treasurer] This summer.

[President] Well, also before...you know in April and before the uh Annual Meeting. This was Patrice's idea, so we're going to try to get that done.

[Treasurer] Again if you think of something later. Again, I'll send the spreadsheet to you. Send me an email. So you can see the Details.

[GM] And his correct email is CLRRATreasurer@crystal-lakes.org.

[President] Yeah, so keep in mind his spreadsheets are huge. He has put so much effort into this. We've never had this kind of detail before, so I think it's important that you all recognize the work that he has put into this. It's unheard of in this Association so thank you.

[Treasurer] Yeah, because I've been told about some folks on the social media saying that we have no budget numbers to back up our requests and I'm going...um yeah, we do. So please tell that person contact me, I'll give it to him.

[President] And he's gone back and pulled data from prior years and try to you know adjust between the years, what are we doing, what's the cost increase, uh what do we need to have in the future when you're doing a prediction and you're forecasting your future needs. He's done all that.

[Treasurer] Like that one, 20 month average. And then you adjust it for inflation and one-time spikes and you...

[President] Yeah, so yeah getting a really, really good look at what it cost to run this Association so, thank you.

[GM] Doug says oh sorry thanks buy one can of bug spray. I will reimburse the HOA.