



## SPANISH PEAKS OWNERS ASSOCIATION

### Minutes of Board of Directors Meeting December 10, 2011

Notice of the meeting was waived by unanimous consent of the board. The meeting was held via telephonic conference.

Board Members present in person or by telephone: James J. Dolan, Karen Roberts, W. Dean Genge

A quorum was established with three board members present and Mr. Dolan, as Chairman, called the meeting to Order at 9:15am MST.

#### Old Business:

1. The board approved the minutes of the November 23<sup>rd</sup> meeting as submitted.

#### New Business:

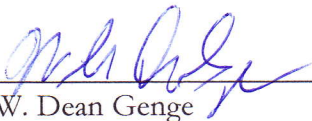
1. **Delinquency Contingency Reserve:** The Board discussed a number of changes that have impacted the original budget assumptions published on October 27. Unlike previous years in which the SPOA was able to recover delinquent assessments from Club at Spanish Peaks membership deposits, due to the recent bankruptcy of the club, those funds are no longer available to be collected by the SPOA at the time of such sales. The Board determined that, due to this change in circumstances, the establishment of a contingency reserve for unpaid assessments is now recommended.

The Board then discussed two options to fund the contingency reserve, (i.) an additional increase to the FY2012 assessment, or (ii.) a one-time transfer from the Transfer Fee Account to the Operating Account. In discussion it was noted that outgoing members fund the Transfer Fee Account through a one percent fee on the sale of a residence or lot. The board next considered the history of the use of the Transfer Fee Account and the balances held in that account and their intended purpose. The board considered if a one-time use of the Transfer Fee Account funds to fund the delinquency reserve presented a preferable alternative to levying additional assessments on continuing SPOA members. The unpaid and uncollected assessments have resulted in an underfunding of the Reserve Account. Mr. Dolan moved and Ms. Roberts seconded the motion to authorize the Treasurer to transfer \$122,730 from the Transfer Fee Account to the Reserve Account. This transfer established the Reserve Account to its correct FY2011 level and provides a delinquency reserve to resolve items relating to the collectability of delinquent assessments. The motion also instructs the Treasurer to deposit all delinquent assessments collected from the delinquent accounts to the Transfer Fee Account when and if collected. The motion passed unanimously.

2. **Revised FY2012 Budget:** Ms. Roberts then presented a revised FY2012 budget for consideration. The revised per-unit assessment for FY 2012 is \$2,820, an increase of \$295 over FY 2011. The Board discussed each of the year-to-year budget variances in both income and expense contributing to the revisions. After discussion, Mr. Dolan moved and Mr. Genge seconded the motion to approve the FY2012 budget as amended. There being no additional discussion, a vote was taken and the motion passed unanimously.

Date and time of next Board Meeting – Not scheduled at this time.

Mr. Dolan then asked for a motion to adjourn the meeting. Mr. Genge so moved and Ms. Roberts seconded the motion. The meeting was adjourned at 10:45am.



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W. Dean Genge  
Secretary for the Board

Date

12/23/11