

**LMOA BOARD OF DIRECTORS
Special Open Session
2010 Budget**

DATE: Thursday, December 10, 2009

PLACE: Terrace Room, LMOA

DIRECTORS: **Present:**
Leighton Cumming, President John Platt, Vice President
Don Fickes, Secretary Mike Harrison, Treasurer
Scott Meiss Ray Gott
Benita Ellen

STAFF: John Korhonen
 Kym Sampsell
 Peggy Alexander
 Meg Gore

1. CALL TO ORDER

Pres. Cumming called the meeting to order at 7:01 PM.

2. PLEDGE OF ALLEGIANCE

3. INTRODUCTION (Pres. Cumming)

Pres. Cumming thanked the LMOA Staff, the Finance Committee and the BOD members for their hard work and dedication in the 2010 Budget preparation. She stated that the goal for this meeting is to approve the 2010 budget. She said that following Chad Brown's budget overview presentation, the BOD would vote on the budget section by section. She said that each Director is trying to do what is best for the lake residents and she asked that only budget issues be addressed during the meeting.

4. OVERVIEW OF PROPOSED 2010 BUDGET (Chad Brown, Chair Finance Committee)

Chair Brown stated that his presentation provides a summary of present and past operations. Just a few highlights were that Golf is projected for a \$96K loss. Operations will have a first time ever positive projected Net Income of \$37K. He said that the budget funds some new initiatives.

5. **MEMBER COMMENTS (5 Minutes per Member)**

Wayne Schmidt – 370/3 Work Session Changes, Compliance Officer addition, application of 3% increase to roads in past years and dredging costs.

6. **BOARD DISCUSSION**

Sec. Fickes expressed concerns about budgeted Marina Fees, the quantity of Ditch and Drainage worker additions, the new ECC position and the quantity of golf greens to be reworked. He also stated that the present budget does not include any funds for dam studies or required repairs.

VP Platt thanked the Finance Committee and all who worked on the budget for their dedication and hard work.

Treas. Harrison gave an overview of the LMOA community's growth from the year 2000 to the present. He said the community has changed from a retirement/vacation place until it is now very similar to a VA town with over 12,000 residents. He stated that by the year 2010 Lake Monticello will be larger in population than the town of Bedford VA.

Director Ellen said that LMOA will incur significant costs in 2010 for dam evaluations and repairs. She said that even though the dollar amounts are still unknown, she believes that it is irresponsible to not earmark some funding for this purpose.

7. **2010 BUDGET APPROVAL**

7.1 **General Information (Treas. Harrison)**

MOTION by Treas. Harrison seconded by Director Gott “that the Board of Directors continue staffing of the Eagles Nest through February 2010 with the intent to decrease Eagles Nest staffing to zero starting March 2010.”

Motion carried 6-1-0 VP Platt dissenting

MOTION by Treas. Harrison seconded by Director Gott “that the Board of Directors upgrade the Solicitation and Contracts Administrator position from part-time to full-time.”

Motion carried 7-0-0

MOTION by Treas. Harrison seconded by Director Meiss “that the Board of Directors reinstate funding for the full-time Recreation Manager position.”

Motion carried 7-0-0

MOTION by Treas. Harrison seconded by Director Meiss “that the Board of Directors reinstate funding for a .5 full-time employee Police Officer position.”

Motion carried 7-0-0

MOTION by Treas. Harrison seconded by Director Meiss “that the Board of Directors reinstate funding for a .75 full-time equivalent seasonal laborer for the General Maintenance Department.”

Motion carried 7-0-0

MOTION by Treas. Harrison seconded by Director Gott “that the Board of Directors fund the costs of a full-time Dredging Operator position from a six month position.”

Motion carried 7-0-0

MOTION by Treas. Harrison seconded by Director Gott “that the Board of Directors add an ECC Field representative to assist members in meeting their approval requirements pending board approval of the job description.”

Motion carried 5-2-0 Directors Meiss and Ellen dissenting

MOTION by Treas. Harrison seconded by Director Gott “that the Board of Directors add three full-time equivalents for ditch and drainage work pending approval of the duties and job description.”

Motion carried 7-0-0

7.2 Fee Schedule (Director Ellen)

MOTION by Director Ellen seconded by Director Gott “that the Board of Directors not apply the allowed 3% of the 2009 dues to the 2010 annual dues.”

Motion carried 7-0-0

MOTION by Director Ellen seconded by Director Gott “that the Board of Directors adopt the 2010 Schedule of Dues, Assessments and Amenity Fees for 2010 including annual Dues of \$598.00, annual Improved Property Fee of \$150.00, and annual Tenant Fee of \$598.00 as presented in the Proposed 2010 Budget dated December 3, 2009.”

MOTION by Sec. Fickes seconded by Director Platt “to amend the motion to add at the end ‘except that fees for Class I, II and III boats shall remain the same as for 2009’ ”.

Amendment defeated 3-4-0 Pres. Cumming, Treas. Harrison, Directors Meiss, and Gott dissenting

MOTION by Director Ellen seconded by Director Meiss “to table the original motion to discuss a motion from Director Meiss.”

Motion carried 7-0-0

MOTION by Director Meiss seconded by Treas. Harrison “that the Board add a \$5 fee for league play.”

After discussion, Pres, Cumming called the question Vote 7-0-0

Motion failed 1-6-0 Director Meiss voting in favor

MOTION by Director Ellen seconded by Director Gott “to remove from the Table the original motion.”

Motion carried 7-0-0

Motion carried 6-1-0 VP Platt dissenting

The Board recessed from 9:04 PM to 9:21 PM.

7.3 Operation Budget (Sec. Fickes)

MOTION by Sec. Fickes seconded by Director Gott “that the Board of Directors accept the 2010 requested Operating Budget containing income of \$5,261,491; expenses of \$5,080,040 (including depreciation 2010 Reserves and New Initiative proposals); and, a net income of \$181,451 including

- **\$88,400 in funding of the Road Reserves**
- **\$151,600 to repay the Amenity Fund and**
- **\$50,000 in funding of the General Reserves**

as presented in the Proposed 2010 Budget dated December 3, 2009.”

MOTION by VP Platt seconded by Director Ellen “to amend the motion to reduce the pool payroll by \$10,000 to \$47,289 based on the elimination of the seasonal Recreation Manager.”

Amendment failed 1-6-0 VP Platt voting in favor

Motion carried 6-1-0 VP Platt dissenting

7.4 Reserves (VP Platt)

MOTION by VP Platt seconded by Director Gott “that the Board of Directors accept twenty three (23) projects totaling \$386,870 to be funded in 2010 from the General Reserves as presented in the Proposed 2010 Budget dated December 3, 2009.”

After discussion, Sec. Fickes called the question 6-1-0 Director Ellen dissenting
Motion carried 6-1-0 Director Ellen dissenting

7.5 New Initiatives (Director Gott)

MOTION by Director Gott seconded by VP Platt “that the Board of Directors approve the purchase of a Deep Tine Aerifier for \$30,500 to be funded from the Property Transfer Fee as presented in the Proposed 2010 Budget dated December 3, 2009.”

Motion carried 7-0-0

MOTION by Director Gott seconded by VP Platt “that the Board of Directors approve the purchase of a Kayak/Canoe Rack for \$2,300 to be funded from the Amenity Allocation as presented in the Proposed 2010 Budget dated December 3, 2009.”

Motion withdrawn

MOTION by Director Gott seconded by VP Platt “that the Board of Directors approve the purchase of materials for Kayak/Canoe Racks for \$2,300 to be funded from the Amenity Allocation as presented in the Proposed 2010 Budget dated December 3, 2009.”

Motion carried 7-0-0

MOTION by Director Gott seconded by Sec. Fickes “that the Board of Directors approve the purchase of a Communication Broadcast Server for \$5,200 to be funded from the Comcast funds (Broadcast Communications Committee) as presented in the Proposed 2010 Budget dated December 3, 2009.”

Motion carried 7-0-0

7.6 Funding Sources ((Pres. Cumming))

MOTION by Pres. Cumming seconded by Director Gott “that the Board of Directors approve the 2010 Funding Sources as presented in the Proposed 2010 Budget dated December 3, 2009.”

Motion carried 7-0-0

MOTION by Director Meiss seconded by Director Gott “that the Board of Directors identify \$100,000 of dividends and interest income for the purpose of dam engineering studies.”

Motion carried 7-0-0

8. ADJOURNMENT

Pres. Cumming adjourned the meeting at 10:06 PM.

by:

Don Fickes, Secretary