

SHILOH STABLES PROPERTY OWNERS ASSOCIATION

Finance Committee Meeting Minutes

September 29, 2018 – 9:00 AM

Present: Mike McFerrin, Tom Blanton, Hal Allen, Al Pringle (call-in)
Absent: Lynn Marqui (schedule conflict)
Location: Mike McFerrin's house

Actual income and expenses for 2018 through September and the planned and budgeted expenses for October – December were presented and discussed. The figures include a request for calcium chloride application to the roads in October of \$3,000. It is being considered by the Board but not yet approved. There is also \$750 of contingency in the budget for weather-related expenses (snow or debris removal) and miscellaneous expenses.

The bank balance as of today is \$18,505. The expected bank balance at the end of the year, with the calcium chloride and contingencies spent, should be around \$8,686.

All 2018 annual assessments have been collected except for one. Lot 94 owned by Glen Buzze for \$322 (\$280 + \$42 late fee). Per AL, liens have been placed on his property before. Mike McFerrin will place a lien for 2018 dues and find out the balance of all prior liens still open on the property.

An initial 2019 Budget, which was discussed at the Annual Meeting for input, was distributed and discussed:

- Based on feedback at the annual meeting and from others, the consensus is to have annual dues on a "flat fee per lot" basis with no discounts or tiered structure.
- The cost vs. benefit of calcium chloride was discussed at length. The reduction of dust was recognized by all. However, there was some question as to how much it helps lower future maintenance cost. Theoretically, it is supposed to lessen the frequency or amount of gravel applications by binding the dust and dirt together, but it is impossible to calculate this to see if it actually reduces overall maintenance costs.
- The Road Committee reviewed the draft 2019 Budget and concurred the \$25,000 budget was adequate, barring any major weather event. Quite a bit of volunteer work from several individuals is being utilized.
- The desired bank balance at year-end of 2019 was discussed. Although there is not a formally established balance, historically it been around \$15,000 at year-end and this has been used as the target. The purpose of the reserve is to prevent the need for special assessments in the event of unexpected repairs and clean up from a major weather event.
- The amount of the annual fee was discussed. At \$280 per lot and \$25,000 road maintenance, the expected balance at year-end is projected at \$14,926. However, this

requires continued reliance on work and use of equipment from a few individuals that may or may not be sustainable long-term.

A motion was made, seconded and passed and the Finance Committee recommends to the Board of Directors the following:

- The annual assessment for 2019 be set at \$300 per lot with no discounts or tiers, generating \$38,700 in revenues.
- Total expense budget of \$29,881 be set for 2019 per the draft budget.
- The maximum road maintenance budget be set at \$25,000 but the two applications of calcium chloride be reviewed and evaluated prior to actually being done and reduce to one application if possible.

The meeting was adjourned.