

# Mallard Lakes Community Association

## Board of Directors Meeting — November 8, 2025

### *Transcript — Treasurer's Report and Owner Questions on Budget and Legal Expenditures*

*Independently transcribed from audio recording for archival purposes.*

#### Speaker Key

**CR** — Chris Reutershan, Board Vice President

**DN** — Dan Nelson, Board Treasurer

**SR** — Simone Reba, Unit 342, Property Owner

**DH** — Donna Hemphill, Legum & Norman Community Manager

**CB** — Chris Becker, Board Member

---

## Part 1 — Treasurer's Report

**CR (Chris Reutershan, VP)** — Treasury report and approval.

**DN (Dan Nelson, Treasurer)** — Let me just start out at our acquainted plan for management — future income and expenses with each item listed separately. Some items may exceed or fall below projections. Our aim is always to balance the budget. If we overspend, reserves will cover the difference. Any surplus goes to reserves, as decided at the October owners' meeting. Being over budget carries no penalties according to Mallard Lakes bylaws. Any new spending over \$20,000 in 12 months — like the fire pit — requires approval by a majority of the owners. We don't have anything like that. Regular budget expenses are approved by the board and do not require this process.

**DN (Dan Nelson, Treasurer)** — As of September 30, 2025, our operating balance stands at \$622,304, with reserves totaling \$1,823,913. Recently, we transferred \$20,000 from our checking account to the savings account, which serves as the replacement reserve account. To date, interest accumulated in the replacement reserve accounts this year is \$64,964 — a pre-tax number — compared to \$52,245 in 2024. This transfer has been made possible by fees we've received from renters.

**DN (Dan Nelson, Treasurer)** — So far in 2025, these renter fees have saved each owner \$107 annually — 10.243% of your total costs, or 2.56% per quarter. Within the income section of the budget, amenities income is \$51,073, which represents gross, not net income. It's important to note that collecting this revenue incurs costs, including increased water usage, more frequent trash collections (now three times a week in summer), and recycling twice a week in summer. Additional costs have come from labor, where minimum wage is currently \$15 per hour and actual cost is over \$18 per hour. Notably, in 2025, we purchased a new John Deere tractor for \$29,000, which was paid from these funds.

**DN (Dan Nelson, Treasurer)** — Owners who rent their units are encouraged not to provide their amenities fobs to renters. Instead, require renters to purchase a rental fob. Sundance, which owns nine units, has contributed \$24,165, accounting for 47.31% of the total amount collected on the purchase of fobs — an average of \$2,685 per unit. If other owners follow

Sundance's example, the Mallard Lakes community could realize additional savings for each of you.

---

## Part 2 — Owner Questions on Legal Expenditures

► *SR rose to ask questions during the treasurer's report presentation. CR directed her to stand.*

**SR (Simone Reba, Unit 342)** — Hi. My name is Simone Reba, Unit 342. I have some questions in regard to the budget. All I wanted to ask was, do I ask that now? Or do I—

**DN (Dan Nelson, Treasurer)** — It depends on what your question is.

**SR (Simone Reba, Unit 342)** — Well, I have three questions. The first question is about legal expenditures through today, because on the website, it only goes to July.

**DN (Dan Nelson, Treasurer)** — Actually, it goes to August.

**SR (Simone Reba, Unit 342)** — Oh, okay, that must be a new update.

**DN (Dan Nelson, Treasurer)** — And September will be there shortly. Jason has not been able to do any updates to the website because he's been away. I gave him September's and that will be on there as soon as he comes back.

**SR (Simone Reba, Unit 342)** — Well, for the Code of Regulations, Section 3, it says that every owner has a right to examine the budget. So there's a line in there called "Legal." Can you tell us today, or would you please formally write me back, telling me exactly how much has been spent to date?

**DN (Dan Nelson, Treasurer)** — What is today?

**SR (Simone Reba, Unit 342)** — October.

**DN (Dan Nelson, Treasurer)** — I don't have it. When I get the October financials, which I don't have here—

**CR (Chris Reutershan, VP)** — I'd like to clarify. Every owner is entitled to inspect our books. And the way you do it is you make an appointment with Donna and go to Legum & Norman, and per the bylaws, you have the right to review any of the invoices or other materials that have been submitted to that point.

**SR (Simone Reba, Unit 342)** — Okay, that's great. Thank you for that, Chris.

► *Archival Note: A formal written request for legal expenditure information had been submitted by SR on October 23, 2025 — sixteen days prior to this meeting — citing Delaware's Unit Property Act and DUCIOA §81-318. No written response was received prior to this meeting. See the Cost of Litigation page on the ML Sustainability website for full documentation.*

---

## Part 3 — Request for February Financial Briefing

**SR (Simone Reba, Unit 342)** — My second question is, I request that at the February board meeting, you could provide us an agenda item where you go through the entire 2025 expenditures for all categories.

**DN (Dan Nelson, Treasurer)** — *(Raising his voice)* No. We can't sit there and go through every expenditure. Do you know how many expenditures there are? Do you? One thing people have to realize: we as members of this board do not get paid. If you realized how much time I — me, myself, not the other members of the board — spend on the budget alone. I don't have contact. I really don't. I'm giving you what I get from Legum & Norman. Legum & Norman controls our plans. Anything over \$1,000 has to be approved by two people — right now, it's me and it's Chris. That's the way it's done.

**SR (Simone Reba, Unit 342)** — Okay. Thank you. So I think what I heard you say, Chris, is that if I wanted to see that, I could set up a time with—

**CR (Chris Reutershan, VP)** — Exactly.

**CB (Chris Becker, Board Member)** — So every meeting our treasurer provides a financial update as to where we are at any given point. It doesn't break it down by line. Your specifics are provided through Legum & Norman.

**DN (Dan Nelson, Treasurer)** — And our budget — what goes on the website — is line by line. There's a line over budget. There's a line under budget.

**SR (Simone Reba, Unit 342)** — Right, but it's typically a little farther behind. Thank you for that clarification.

---

## Part 4 — The \$20,000 Bylaw Threshold

**SR (Simone Reba, Unit 342)** — My third question is, if any specific line item goes over \$20,000—

**DN (Dan Nelson, Treasurer)** — No, no. There's no \$20,000 threshold for that. The \$20,000 in the bylaws states, if we want to build something that isn't already here — like that fire pit — we have to have approval from the owners. Once — remember at the October meeting — I asked everyone to ratify this budget. They approved it. That budget is approved then. If a line item goes over budget, it goes over budget. I have line items all under budget. I have line items over budget. The bottom line is, what is the final number? Is it under or over?

**DN (Dan Nelson, Treasurer)** — And I just said this: if we go over budget — and this is something I ask for approval at the yearly meeting — I ask for approval to take those extra funds and put them in reserves, because if we don't, under Title 25, we have to give it back to the owners. So instead of giving it back to owners, it goes to reserves. If we go over budget, the difference has to come from reserves, and reserves have to be replaced. So what we'd have to do then is ask for a special assessment for whatever that cost would be.

**SR (Simone Reba, Unit 342)** — Okay. So basically, just to clarify — I think what I'm hearing is that the specific line items in the budget really don't make a difference as long as you don't exceed the overall budget.

**DN (Dan Nelson, Treasurer)** — They make a difference, but you try to control them. All our budget is is hope going forward — what you hope things will cost based on past experience.

What we do with the budget committee is look at how much we spent last year, the year before, and the year before that on each line. Then we make adjustments, especially with costs. Materials costs are crazy lately. Labor makes us spend more money and we have no control over that.

**DH (Donna Hemphill, Legum & Norman)** — I think one thing — our operating expenses always go over \$20,000. We just paid \$122,000 for the deposit on next year's insurance. There's no way we could get approval from owners for that.

**SR (Simone Reba, Unit 342)** — I'm sorry — I was just looking at a specific line.

**DN (Dan Nelson, Treasurer)** — And we've already put a deposit on doing the back pool — I think it was \$15,000 to \$18,000 — to get in the queue for when that pool work is done next year.

**SR (Simone Reba, Unit 342)** — You've answered my question. Thank you very much.

**CR (Chris Reutershan, VP)** — I'd like to move for unanimous consent to accept the Treasurer's report.

---

### Archival Note

*This transcript covers the Treasurer's Report and subsequent owner questions at the November 8, 2025 Mallard Lakes Board of Directors meeting. It has been independently transcribed from an audio recording for archival purposes and formatted for inclusion in the ML Sustainability community archive.*

*The December 2025 financial records confirm that legal expenses for fiscal year 2025 totaled \$46,400 against a budgeted amount of \$15,000 — \$31,400 over budget. The Auditor line item showed \$0 spent against a \$6,200 budget. These figures are documented in the Cost of Litigation section of the ML Sustainability website.*

*This website is not affiliated with the Mallard Lakes Condominium Association Inc. and they are not responsible for its contents.*