MEETING OF THE FINANCE COMMITTEE
MONTEREY DUNES COLONY ASSOCIATION
MINUTES OF THE JANUARY 17, 2014 MEETING

Present

Bob Dickinson, Committee Chair
Ted Swanson, Member
Ted Adams, Member
Donna Briskin, Member
Art Testani, Member
Tom Bugary, Secretary and General Manager
Susie Heavin, Office Manager and Bookkeeper

Absent

None

Welcome

Bob Dickinson, committee chair, called the meeting to order at 3:00 p.m. on January 17, 2014.

Minutes

It was M/S/C to approve the minutes of the November 15, 2013 meeting as written.

Review of MDCA and Water Co. financials

The Committee reviewed the first 6 months of the fiscal year (July – Dec). It was noted that the operating expenses of the Colony were $55K less than was budgeted. This is due, in large part, to $9K for septic tank work that was expensed in the last fiscal year, $11K in the PTO account and $5K in worker's compensation (due to a refund of the previous year), and the rest is mainly due to timing issues.

In contrast to the Association's operating budget, the reserve budget expenses exceed the budgeted amount by $56K. This reserve deficit is primarily due to an excess $89K spent on boardwalk replacements; however, this amount has been partially offset by surpluses in other budget expenses.

The Water Company is $1K favorable to its year-to-date operating budget and $2K favorable to its year-to-date reserve budget, although the full cost of repairs to the water tank has not yet been fully expensed.

Review bank statements

All bank statements were reviewed without comment.

New business

Budget objectives

The objective of the budget is to maintain the current level of services using the most cost effective methods as possible. At the next meeting, on March 14, 2014, Tom will present a draft budget and if any cost saving

adjustments can be found, they will be implemented.

February insurance renewals

The Committee reviewed the proposed insurance renewals for February and, after discussion, agreed to recommend to the Board that they adopt the same policies as are currently in effect.

Association metrics

The purpose of metrics is to give us a performance measure. An email from Ted Adams regarding Association metrics had been circulated by Bob. Bob suggested that the committee individually review Ted's email and express their own thoughts on the subject in order to start a discussion, via email, on metrics specific to the Association.

Residential solar

The Committee discussed the question of how to deal with homeowner requests to install solar power on their individual units. State law now forbids HOAs from banning such installations. Furthermore, the proposed CC&Rs require homeowners to take responsibility for any incremental costs arising from them, eliminating any financial burden on the Association or other homeowners. Accordingly, the Committee agreed to recommend to the board that the matter be referred to the Environmental Control Committee (ECC) to formulate standards that residential solar systems must meet.

Old Business

Association solar alternatives

Prior to the Committee meeting, the Committee met with a solar consultant and a wind power installer. Due to the relatively recent approval of virtual net metering by the PUC, it now appears that the needs of the Association could be met with a single, less expensive solar system that would be installed on one of the unused tennis courts and have a payback of well under ten years. The Committee has asked Tom to prepare a proposal for implementing such a system as well as the most cost effective plan to transitioning garage and parking lot lighting to LEDs.

Review draft budget overview

The Committee discussed a revised draft overview of MDCA budgets and assessments (a white paper). After discussion, the Committee decided to recommend to the Board that they approve the paper for distribution.

Adjournment

The meeting was adjourned at 4:40 p.m. The next meeting is scheduled for March 14, 2014 at 3:00 p.m.

Respectfully Submitted

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Thomas J. Bugary CMCA, CCAM
General Manager and Secretary