

**MEETING OF THE FINANCE COMMITTEE
MONTEREY DUNES COLONY ASSOCIATION
MINUTES OF THE MARCH 14, 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 3:10 p.m. on March 14, 2014.

Minutes

It was M/S/C to approve the minutes of the January 17, 2014 meeting as written.

Review of MDCA and Water Co. financials

The Committee reviewed the first 8 months of the fiscal year (July – Feb). It was noted that the operating expenses of the Colony continues to be approximately \$54K less than was budgeted. The main reason for this surplus is due to timing issues. The current expectation is that we will end the fiscal year with a surplus of approximately \$20K.

In contrast to the Association's operating budget, the reserve budget expenses exceed the budgeted amount by approximately \$40K. This reserve deficit is primarily due to three reasons:

1. Early replacement of boardwalks;
2. Trim painting; and,
3. Timing issues;

however, the budget forecast predicts that, by the end of the fiscal year, we will have a surplus of approximately \$120K and increase our reserve account funding to 34%.

The Water Company currently has a \$2K operating budget surplus and and \$16K reserve budget deficit. The projected fiscal year end balances are a \$5K-\$6K operating budget deficit, primarily due to an isolation valve repair, and a \$13K reserve budget deficit, primarily due to refurbishing the water tank. This reserve deficit shrinks the reserve account funding to 29%.

Review bank statements

All bank statements were reviewed without comment.

New business

Operating budgets

The committee agreed to recommend to the Board that they approve the proposed FY 2014-15 operating budget as presented by the General Manager.

Monthly operating assessment

As part of the FY 2014-15 operating budget, the monthly homeowner dues will increase \$7 (.8%) per month – from \$847 to \$854.

MDCA reserve study

The committee reviewed a draft copy of the MDCA reserve study and for, approximately, the next 10 years we will be in the area of 40% funded (a goal that had been previously set by the Board) without increasing the annual reserve assessment.

Water Company reserve study

The committee reviewed a draft copy of the Water Company reserve study and for the next 10 years, at the current level of funding, we will increase our reserve funded percent to approximately 70%. However, after year 10 the percent funded starts to decrease.

Annual reserve assessment

The committee agreed to request that the Board reaffirm their previous decision to keep the 2014 annual reserve assessment, due July 1, 2014, at \$5000.

Opening date for pool

It was agreed to recommend to the Board that the dates the pool opens on a yearly basis will be set at 4-1 and close each year on 10-31, instead of the current variable dates of opening Easter weekend closing after the Annual Homeowner's Meeting and BBQ.

Old Business

Association solar

Ted reported that the goal of the Association solar project is to develop a solar farm in a couple of phases to be located in the tennis court area. Any produced energy would be sold to PG&E to offset our common area electric bills. Because we are in the middle of converting our common area lighting to LED and reducing the amount of kWh we need on an annual basis, the amount of kW necessary is still uncertain until our energy audit is completed. Ted said he expects that there will be proposals, including plans on an expansion to residential solar, by the next Finance Committee meeting on May 16, and pertinent

findings/recommendations can be made to the Board on the following day.

Adjournment

The meeting was adjourned at 4:40 p.m. The next meeting is scheduled for May 16, 2014 at 3:00 p.m.

Respectfully Submitted

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Thomas J. Bugary CMCA, CCAM
General Manager and Secretary

DRAFT