

Betsy then showed several documents gathered together to help Board members become more familiar with Rondout Harbor. They included:

- a bar graph showing how the Rondout Harbor budget is divided: operations, capital expenses and reserve contributions.
- a chart indicating who is responsible for what elements of the campus. It delineates what the HOA is responsible for and what the homeowner is responsible for. It was noted that a decision was made several years ago to change the responsibility for the decks to fall under the HOA since the homeowners were not properly maintaining them.
- a Summary of Key Elements of the Reserve Study handout

There was a brief discussion of these documents and Laurie indicated that her HOA puts the entire Reserve Study on-line.

Then, Betsy also asked for input on how we should do the Spring/Summer walk around. No decision was made as to whether it would be good to have Board members participate or whether we would leave this to Associa.

#### Brief Adjournment for Supper

Betsy provided further explanation of the bar graph to explain how the budget is structured. Income; Budget Year: April 1 – March 31. The Income is distributed across cost centers: Operations including all of our regular expenses and based on last year. We also use the budget to pay for capital projects or large dollar items. Then, there are the Reserve Contributions which help to create a “savings” account. Bob pointed out that by doing reserve contributions we are working to prevent a later assessment.

Betsy went on to explain that at last year's Annual Meeting, which many in the community attended, it was clearly and strongly expressed by the community that they did not want big increases in HOA monthly fees and/or assessments. We have to keep this very much in mind; but must also recognize that we (the Board) have an obligation to ensure that the property is well maintained.

Another bar graph was used to illustrate that the annual reserve contribution planned for this year MAY be skipped in all or part if we think that we need to have more money available for this year's more urgent projects. Right now we're just giving everyone the information; this is not the time for decisions.

Betsy stated that for every \$10 we might choose to raise the HOA fee in the future, the yield is only \$10,320.

Then, Betsy reviewed of all contracts currently awarded and/or planned including a major drainage issue in S1, retaining walls, painting decks and 3A buildings, gutter inspections, and repair and painting of 16 decks in 3B including 6 that will need extensive work and the rest small and larger amounts of work. These costs already strain the existing capital project budget and will probably exceed it.

Discussion ensued about the care that needs to be taken to not spend down reserves.

Betsy then proposed that Board members take the next month to think about it and where we want to go based on these facts so that we can live within our budget and prioritize the tasks starting with safety concerns.....We absolutely need a new plan.

Betsy stated how important it will be to our planning to try to identify someone to chair a Buildings Committee as Don Sutherland has done in the past. Also clarified was the fact that the paint committee noted that the carpentry and painting of the buildings should occur at the same time so that the raw boards are immediately protected. Also discussed was the possibility of purchasing better, longer lasting materials such as cedar boards and/or trex which over the long term would hold up much better and require less maintenance.

Next, there was a review of the projects identified in the Reserve Study but postponed over several years. These include things like parking lots, catch basins, lighting, etc. The question of whether or not we should consider a new Reserve Study also came up.