



Oakland Hills Community

FINANCE COMMITTEE MEETING MINUTES 4-26-16

Committee Members Present: Jack Michael, Bob Love, Carl Dyszkiewicz

The meeting was called to order at 7:00 PM by Jack Michael

Old Business:

New Business:

- Review 2016 Operating Budget and cost to date status.
 - 4-26-16 - There was a discussion about the 2016 budget. There is a budget deficit so far this year. It looks like the 2016 projected revenue is going to fall short due to the fact that not as many new units are coming on-line as soon as was predicted when the budget was established last year. Assuming that the equivalent of only 3 more new units were to come on line (on a full year equivalent basis FYE) this revenue shortfall will be about \$12,000. It will be worse if less than 3 FYE units come on line. It was the committee's view that without a dues increase there would likely be another operating deficit this year. Based on only 3 FYE units coming on line this year Jack Michael did a quick calculation and felt that a minimum dues increase of \$10 to \$15 per month would be necessary to avoid another large operating deficit assessment for 2016. The sooner an increase can happen the better from that standpoint.
- Review preparation and presentation materials required for the Annual meeting in May.
 - It was discussed that the presentation from the finance committee should help our members understand the history of assessments and operating income increases per household. The operating income per household has not increased since 2008 until the \$10 increase in January this year. This shows that Gardner has been trying to keep costs under control, and that they were also able to leverage the efficiencies associated with a large number of units in order to help control costs as well. The committee felt that a revenue increase beyond the \$10 increase in January this year for the operating budget was appropriate if the members want to minimize annual assessments.
 - It was discussed that it would be helpful for our members to understand the budget process and the fact that until the community is entirely built out that it is harder to predict revenue and expenses because there is no way to know for sure how many new units will be added each year. One the community is built out this will no longer be an issue and both income and expenses will be easier to predict.



- **Recap of recommendations to the board:**

- The Finance Committee recommended to the Board that there be a \$325 assessment to cover the 2015 operating deficit.
- 2-23-16- The Finance Committee recommended that the Board look into the ongoing cost of the water features, and determine if there are any areas of potential operating cost savings, or other alternatives that might save money.
- The Finance Committee recommended the plan “B” version of the Capital Replacement Plan options to the Board.
- The dues should be increased by \$10 per month starting 1/1/16 over and above previously scheduled \$25 increase.
- Recommendations regarding the 2016 budget were communicated to the Board.
- 7-23-15 -The alarm fee structure should remain unchanged at this time.

Next meeting of the Committee:

The next meeting of the Committee is set for May 24th at 7:00 PM in the Oakland Hills Clubhouse.

Adjournment:

Respectfully submitted,
Jack Michael
Former Treasure