

**T.E. BUDGET COMMITTEE MEETING  
MINUTES**

**February 16, 2010**

Trustee Pam Cole called meeting to order at 10:32 a.m. Attending were committee members Jennie Battaglia, Bill Secraw, and Rich Jansen. Herb MacFarlane was absent. Nine (9) residents attended.

The minutes from the meeting of February 9, 2010 were accepted as read and corrected by a motion from Bill and a second from Rich

Pam opened the meeting by bringing us up to date on the loan situation. As of yesterday, \$601,000 has been allocated for February. \$20,000 is pledged for April. This money will be noted in the 2009-2010 amended budget.

Pam noted that in February 2011, the interest of approximately \$3,780 on a principal of \$126,000 would come due. In April 2011, the principal of \$126,000 plus two months interest will be due. With the collection of loans totaling \$621,000 the year will end with \$391,716 providing there are no unexpected expenses.

In reviewing the amended 2009-2010 budget, corrections were made in the legal expense column -- \$130,000 for February and \$35,000 each remaining month of the year. Adjusted payroll allowing for 10% increase in health insurance.

Employee benefits were addressed (again). Pam shared that in 2008-2009 there was one bid—from United Health Care for approximately \$66,000. Presently in service. Aetna offered a higher deductible and less coverage for \$46,000. Again, the question was raised – what is wrong with the employees paying a percentage of the premium or a higher deductible? At present, T.E. pays 100% for employee and 75% for employee's family. The economy is in a recession. Businesses are downsizing and cutting benefits or dropping benefits. Why are we not making changes?

A resident questioned pay raises as Martha was heard saying that there has been no pay raises in years one, two, or three. Pam reported a 2% pay raise in 2007-2008. Even though there was no pay raise in 2009-2010, there was a raise in benefits.

Toni Gaeta presented the committee handouts re employee pay rates. SEE ATTACHED

It was noted by all present "Health benefits is the only place to make significant savings."

Jennie wondered if withdrawing contribution to Simple Plan (401K) would show a significant savings. Pam stated her belief that TE pays 3% of employee contribution. A call to TJ revealed that TE pays \$440 p/month in matching contributions.

A resident, who worked in the investment field, shared that typically companies match up to 3% of annual salary. This is standard with 401K's.

A resident noted that Martha suggested lowering payments to attorneys and questioned where this money was coming from. Pam explained that the attorney fees are presently being taken from 2009-2010 budget and does not effect assessments. She also shared that Kirk-Pinkerton gets their money upfront. All others are due by December 15, 2010. As far as the new budget is concerned, it is difficult to project attorney's fees as it is unknown how much over \$35,000 p/month will be needed for next year.

At 11:45 a.m., Jim Angermeame (resident) visited the committee meeting and spoke on his research and suggestions re cable TV and trash pickup. He suggested that residents contribute to the cost of these services. SEE ATTACHED A few attendees suggested getting rid of cable service altogether. The question arose "Does the Charter need to be changed to do this?" The belief was "No".

#### Residents Questions/Comments:

- It was noted that Martha said no pay raises for employees in years one, two, and three. (Explained above) Resident wants this cleared up and corrected in Board minutes.
- At last week's budget meeting it was noted that TJ works overtime w/o pay or comp time. Martha stated TJ does receive comp time. What is right? Truth needs to be known. Again, clear up and correct minutes.
- Why is TJ being paid \$67,000 p/yr when she cannot find requested documents? She/Park need to produce documents. It is illegal to withhold these.
- Questioned why Martha is loading up the evening meeting (2/22/10) with other agenda items when that meeting is suppose to be for the budget. By doing this, she is cutting time for people to express their budget concerns. This meeting should be for budget only.
- Question—What is the reason to save money? Is it b/c of trash, cable, etc or b/c of attorney fees?
- Harry still has petition re TV contract. Suggest cancel contract. Also has a proposal (Trash) that shows a \$30,000 saving this year if eliminate second pickup.
- Wages – unanimous viewpoint—too high. Not in tune with other similar companies. Need to make changes.
- Change Bingo from Sunday to weekday. Would save thousands of dollars.
- Question – donations. Budget does not show equipment donations. Why? Pam explained she does not have a record of this. The equipment is donated by clubs i.e. kitchen club who keep their own records. She & Mark do inventory once a year. Mark supplies the info.
- Treasurer needs to have a list of ALL donations that benefit the Park—monetary or otherwise.
- Suggestion – when Board wants to spend money, ask right then and there where to cut/get the money.

- Question – How do attorney’s bill? Pam – bills are itemized.
- Suggestion – Pam needs to plan for the worst-case scenario.

The meeting ended with the following summary of 2010-2011 budget

- Reserves = \$116,641
- Total expenses = \$1,861,101
- Total assessment = \$1250

Next meeting February 22, 2010 @ 7 p.m. for resident’s comments.

Meeting adjourned at 12:12 p.m. with a motion from Rich and a second from Bill.

Respectfully submitted by

Jennie Battaglia