

Glastonbury Landowners For Positive Change

This Summary/Interpretation of the GLA Finance Committee Meeting, April 6, 2016
is offered as a volunteer service by the GLFPC

Your suggestions are welcome, should there be oversights or errors.

Key Points

- The Treasurer, Rudy Parker, believes GLA should forgive interest and penalties, collecting only the principal from those with past due assessments. The principal would need to be paid within 45 days. This newly created “Amnesty Offer” would presumably generate about \$83,000 per calculations figured by Dan Kehoe.
- The exact total of past-due assessments with interest and penalties is not known due to an accumulation of bookkeeping errors. However, it is generally believed to be about \$288,000. Based on his own calculations, Kehoe believes the correct amount owed to GLA is closer to \$150,000.
- Some attendees said the “Amnesty Offer” is unfair to those who pay their assessments in good faith.
- To date, GLA has yet to contact any landowners having large past due accounts. Currently, about 39 of the estimated 75 largest delinquent accounts will receive the “Amnesty Offer.”
- A diligent volunteer with a professional background has collected about \$8000 in more recent past due accounts (which includes the 18% interest and 5% penalty).
- Why does the board continually approve Parker's incomplete and erroneous monthly financial reports? See below for details.
- Kehoe claims the GLA attorney advises that the board can negotiate payment terms on past due accounts. Many landowners who have studied the situation disagree.
- Many volunteers have offered to help with collection work, but have been ignored.
- There is a proposal to start assessing businesses, much the same as dwellings.
- To date, there is no progress on the plan to file 13 liens this year. None were filed last year.

Summary

A meeting of the Finance Committee convened about 6:30 pm, on Wednesday, April 6,

2016, at Liberty Hall. It was well attended.

Treasurer Rudy Parker stated that it would be much easier for him and more cost-effective for GLA, if those with past due assessments were given an “Amnesty Offer.” His workload, along with legal costs (claimed to be about \$1,500 per account), were his justifications to grant significant reductions to those who are in arrears.

Landowners countered that Parker’s “Amnesty Offer” or debt forgiveness proposal, is unfair to those who have paid according to the terms in the covenants (assessment + 18% interest + 5% penalty charges). Others insisted that GLA is not a charity, and that there is no need for generosity for those who have thumbed their nose at GLA. There are also landowners who have never paid any assessments. One past due account is close to \$24,000. Parker’s amnesty deals blow our money away, several declared. Why give away the store? Another landowner pointed out that GLA is a business and needs to run like a business. Others suggested that in cases of legitimate hardship, friends should step forth.

One attendee concluded that the board looks like a “push over” with offers of debt forgiveness and that forgiveness is actually enabling. Another landowner questioned the use of the word “amnesty” and clarified that amnesty is generally about pardoning someone for a criminal offense prior to trial. Kehoe retorted, “We’ll just call it a settlement agreement then.”

Volunteer offers to help the treasurer with his workload were disregarded. One landowner, known to be experienced in business and successful financial management, offered up to 20 hours a week to assist in the collection work. Although he has the necessary skills and experience to get the job done, his generous offer was met with near silence.

GLFPC Note: *The Amnesty Offer could have been abolished with the help of this landowner. Why did the treasurer ignore free assistance?*

Another financially savvy landowner asked why there was such a push to forgive so much accumulated debt. There are laws and there is a standard process to debt collection. She reminded the committee that the GLA's Attorney said 50% of people often pay when receiving a scary letter and another 50% will pay after they get a judgment lien. Why would this committee go against their own attorney’s advice? Any kind of settlement agreement should be implemented only as a last resort. This landowner went unheard.

GLFPC Note: *The Church Universal and Triumphant owes GLA over \$40,000 in unpaid assessments on two NG parcels. Some surmise that this push to forgive interest and penalties, collecting only the outstanding principal, is based on a seemingly secret maneuver to give the Church a break.*

Kehoe reported that draft changes to GLA's Collection Policy and Procedures involve

standard collection tools such as a warning letter, judgment lien, demand letter, listing the delinquency with credit agencies, and finally property foreclosure. The policy states that interest and penalty begin on the day an assessment payment is overdue. Kehoe contended that these proposed updates and changes are only minor.

GLFPC Note: A knowledgeable landowner subsequently prepared a three-page analysis of the “new” Collection Policy and Procedures. He found the changes to the “new policy” harmful to all landowners and should not be adopted. In anticipation of the 30-day landowner comment period on the “new” policy, we offer the following key points from his work:

- 1. The “new” collection policy exceeds the Board authority and is being considered with no discussion of impacts to all Members.*
- 2. While the board has discretion to grant an individual waiver, it cannot grant a group variance. The scale of the changes requires a member vote, not a board vote.*
- 3. The loss of unpaid interest and penalties will be significantly harmful to all landowners.*
- 4. There is no need to rush these changes through, given that GLA has well over \$100,000 in usable savings.*
- 5. Businesses and corporations do not deserve the same variance and interest forgiveness breaks as individuals.*
- 6. His complete report listing another 15 changes and concerns is attached below:
<https://glastonburylandownersforpositivechange.wordpress.com/2016-letters-march/keeler-assessment-collection-proposal-problems-4-11-2016/>*

Several attendees at the meeting voiced that the “new policy” is too much and too big for the board to exclusively decide. A 51% membership vote is an absolute necessity, they reasoned.

Calling the above discussion of the “new” collection policy one of polar opposites, Secretary Murphy stated that the “new policy will be up to “the board’s discretion,” and that landowners will have a 30-day window to comment before the board members vote.

In a final move before adjourning, Parker announced that he was unprepared to discuss the letter of concern to the board from financial expert, Regina Wunsch. The meeting adjourned about 9 pm.

GLFPC Note: *Highlights of the letter from Wunsch follow:*

1. Wunsch cited specific errors and missing data in the February financial reports, which were approved by the board at the March 14, 2016 board meeting. She admonished that the entire board, not just the Treasurer, have a serious fiduciary responsibilities to only work with accurate and complete financial reports.
2. Wunsch asked why there was no report about the collection rate having dropped to 69% for the first quarter of 2016 assessments invoiced to landowners. And why was there no discussion about how the board would handle the shortfall if this trend continues.
3. Noting that three board members at the March meeting abstained from approving the financials, because they did not understand them enough to approve them. Wunsch asked why hadn't the president offered to explain the basics. Or why didn't the President ask another board member to do so before the next board meeting.
4. Wunsch believes the initial information/instructions given by Parker to GLA's newly hired bookkeeper are inaccurate or confusing.
5. Wunsch's entire letter is also appended to this article:

<https://glastonburylandownersforpositivechange.wordpress.com/2016letters-1/regina-wunsch-concerns-regarding-gla-financials-3-21-2016/>

GLFPC Editorial Comment: When the Board approves incomplete reports, missing invoices, and payroll errors month after month, they create the illusion of normalcy. We find it unconscionable for the board to continue to ignore and yes, disrespect, Wunsch's repeated admonitions and calls for accurate financial records. Treasurer Rudy Parker's incompetence is fast eroding all confidence in the governance of GLA.

It is mind-blowing to consider that until a few years ago, when Regina Wunsch volunteered her own money and time to sort out GLA's financial records, the board was unaware of the magnitude of unpaid assessments. Despite the present awareness, the board, Finance Committee and Treasurer have failed to take the basic steps of issuing correct statements for all the delinquent accounts.

Instead they devote their time to find ways around charging the full amount of interest and penalties for their Church and their church-affiliated friends.

It is no wonder that the list of landowners who want to remove their property from the association is growing. At last count, eleven members have written letters to the board officially asking to be independent of GLA.

