

Glastonbury Landowners For Positive Change

The mission of the GLFPC is to foster a landowner's association, of the people, by the people and for the people of Glastonbury, create a harmonious and inclusive community, and enhance property values.

This Summary/Interpretation of the GLA Governing Documents Meeting May 23, 2016

is offered as a volunteer service by the GLFPC.

Your suggestions are welcome should there be oversights or errors.

Key Points

Should the members permit the board to expand their discretionary authority when given the opportunity to vote on the proposed changes to the GLA Governing Documents? The increase in the board's discretionary power would allow them to “consider” rather than “find compliance” with the specific standards for a variance. Per the current documents, the board already has the discretion to waive any provision in the GLA regulations. Now it seems that the board wants to expand these discretionary powers to all their dealings.

Should the interest rate on past due accounts be lowered to 12% or 15%? The proposed 12% reduction is what the board recommends. The 15% reduction is what many landowners recommend given that GLA is in critical need of more road money. Why is the board so willing to collect less money when they obviously require more?

None of the proposed changes address the conflict with how the word “Association” is used in the Covenants and Master Plan. Sometimes, it refers to board authority and sometimes it refers to member authority and sometimes it is not clear. The board has typically assumed all non-specific or unclear power references for themselves.

GLFPC Note: *Broad discretionary power for a corporate board is not mainstream practice because corporate boards, such as GLA, are mandated to serve the members' interests. The fact that the GLA board has a great deal of discretionary power is a carry-over of when GLA was a closed church subdivision*

and the Church Universal and Triumphant (the original developer of the subdivision) had full power and control. The residue of Church authority surfaced as discretion in 1997 when the Church opened GLA to all landowners.

*Some 20 year later, Church authority still holds considerable sway in the management of GLA business. **Capable, experienced and willing non-church members have been overlooked seven of the last eight times when the board voted to fill a board vacancy.***

Summary and Interpretation

GLA's Governing Document Committee Chairman Dan Kehoe ended his nearly year-long solo rewrite of the proposed changes to GLA's 65 pages of governing documents by calling a committee meeting Monday May 23, 2016. The committee was asked to generate cons for each of the proposed changes. Kehoe explained however that the board will have the final say on which cons are sent to the members prior to a vote on the changes sometime this summer.

The proposed Bylaw changes refer mostly to board duties and the conduct of meetings. A change that would allow the board to appoint “others”, namely non-GLA members, to a committee created great concern. Given that committees can have direct influence and even executive power, most attendees reasoned it was not appropriate for a non-member to have governing access or any responsibility for the association. When queried, President Charlotte Mizzi explained the board thought it could be appropriate for a professional such as an attorney or a consultant to be appointed to a GLA Committee.

The proposed Covenant and Master Plan changes relates to landowner rights and responsibilities. A 51% majority vote of all members in good standing is needed to change the Covenants and Master Plan but a 51% majority vote of those in attendance at a special meeting is enough to change the Bylaws.

The plan—pushed into action by a few concerned landowners—to provide members with con information before voting on all of the proposed changes is new. In the past, the board simply provided reasons why they thought changes were needed and then asked the members to vote.

It will take a 51% majority vote of all members in good standing to approve the proposed expansion of the board's discretionary power. At issue is whether the board can begin to “consider” rather than “find compliance” with the specific standards needed for a variance. Per the current regulations, the board already has the discretion to waive any provision in the documents. The board believes that

by having their variance duties relaxed, they are less likely to be sued for possible oversights.

The con perspective sees discretion as an option that opens the board to charges of arbitrary action and uneven or discriminatory enforcement of the regulations. Some believe that discretion creates chaos because members can no longer rely on knowing if the rules will be enforced, relaxed or even considered.

The question of whether to reduce the interest rate on past due assessments to 12%, or the highest amount allowed by law, generated a lot of con discussion. Though the board is on record as favoring a reduction to 12%, the con for the 12%, among many other reasons, is that GLA is in a critical need for more road money and could actually charge 15%. Those favoring the 15% interest rate are quick to note that the Montana Court System uses the 15% interest rate.

Another con for the proposed change to 12% is that the board has not given a time line for when the reduction would become effective. Kehoe believes the reduction should be retroactive, and that there should be no refunds for those who have already paid 18% interest in good faith. Others assert that a reduction needs to start in the present and only apply forward.

Still another con is that the option to adopt the 12% interest rate or the highest allowed by law is actually a question. Those in favor of this con believe that in the interest of good governance, voters should be asked to select a clear option, not a question.

Because the board has not provided any financial data about how much potential assessment income will be lost with either interest rate reduction, some say any vote to reduce the interest rate is premature. According to Kehoe, it is not known if any financial data will be available prior to the vote. The GLA attorney has stated that the current 18% interest rate is not enforceable.

In large part, changes in Section 5 of the Covenants deal with redundancy. The question is whether the board should be responsible for issues such as fire safety, or wells, or septic systems that are also already managed by other government agencies. Contrary to the board's recommendation that all redundant rules should be dropped, others reasoned that if the redundancies are retained, landowners will have more foundation to initiate a lawsuit on their initiative if needed to protect their property.

Throughout the meeting attendees leaned towards discussing the cons as they were raised. More than once Kehoe reminded the attendees that the cons were not to be discussed, only captured. The meeting at Spec Tech adjourned shortly after 9 pm.

It is not known how soon the board will complete their selection of the cons which are to be shared with all landowners prior to any voting on the Governing Document changes.

GLFPC NOTES: *It appears that August 6, 2016 has been selected by the board as the date when voting on these changes will take place. This is a critical issue and we urge all landowners to participate as the future of OUR association is at stake.*

Additional details regarding this meeting and the history may be found here:

<http://glastonbury.freeforums.net/thread/297/gov-doc-23rd-2016-9pm>

<http://glastonbury.freeforums.net/board/3/governing-docs-committee>

Detailed analyses of how different interest rates on past due assessments collections will impact the financial condition of the GLA are provided by a concerned landowner here:

<http://glastonbury.freeforums.net/thread/314/gla-board-loves-debtors-forgive?page=1>

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