

## 27 July 2016 Finance Committee Meeting

**Board Members Attending:** GLA Treasurer Rudy Parker, GLA Board Member and Secretary Charlene Murphy

**Landowners Attending:** Dorothy and Leo Keeler, Claudette Dirkers, Ia Williams, Donna Lash, Debbie Blais

**Subject:** Discounts Given of -\$420.10, Line Item 190 on the Jan-June Profit and Loss Statement, dated 7/6/16.

### Summary of discussion regarding “Discounts Given”:

Rudy said the Discount Given of \$420.10 was done (and entered into the GLA books approx. Mar 2016), based on a prior inquiry from a landowner who had previously benefited from a 50% reduction in their Annual Assessments. The trigger for this action was a 2015 inquiry from the landowner when they didn't receive the discount (as usual) for 2015, which prompted Rudy to discuss it with some Board Members and then issue the Discount to the landowner for both 2015 and 2016. Rudy said this “arrangement” has been in place since 2006 for hardship issues (landowner is on disability) and was done with a Board vote in 2006. No Policy was developed then and none is in place now.

Charlene said the 2006 Board motion to reduce this landowner's assessments by 50% is under “investigation”. She was GLA Treasurer in 2006 and recalls the vote. She doesn't recall if the Motion specified how long this 50% discount was to go on.

When I asked if they both knew the GLA Board did not have the authority to reduce or remove Annual Assessments to any landowner, I got these replies:

- Charlene: Yes, this was something that the Board should no longer allow. She stated that discounts are “not appropriate”. When it occurred in 2006, a line of landowners formed and approached the Board asking for similar “discounts”.
- Rudy: He supports the “discount” and wants the GLA Board to be nice; it should be charitable. This statement of his and his thinking on this was further evidenced later in the meeting when he said **he totally supports the new 2016 Collection Policy item 2, Payment of Assessments, Interest and Penalties, that states the GLA assessments, interest and penalties may be determined by the GLA Board of Directors.** Again, he reiterated that this was because the GLA Board needs to be “charitable”. **This is in direct violation of Covenant 2.05 which only provides the authority to change assessments, interest and penalties to the landowners with a 51% approval vote.**

Leo Keeler asked if the Board vote in 2006 said in its language that the discount was to be in perpetuity? Neither Rudy nor Charlene knew if it was.

Leo asked, in relation to Regina telling him earlier that the discount had been stopped; he asked if the discounts were stopped while Alysa Allen when was President? Charlene and Rudy replied the only two years it has not been given since 2006 were 2015 and 2016.

Another landowner asked Rudy if he would give the \$420 out of his own pocket and he said no.

**Issues:**

1. At the time any Discount is given and entered into the GLA books, there should be an explanation section/attachment documenting what the discount was for and why – in case of an Audit or Landowner request. It should not take weeks of “investigation” to try to resurface this information.
2. If it does take weeks of investigation to figure this out – WHY did the GLA Treasurer go forward with granting this discount on his own and then directing the GLA Accountant to enter it into the books?
3. There shouldn't be any Annual Assessment “discounts” unless there was an overcharge or overpayment.
4. Covenants Section 11.03 does NOT support discounting nor forgiving of Annual Assessments by the GLA Board. It is not a Board function! ALL landowners must approve any changes to Covenants that would allow such discounts or exempt any landowner from paying assessments.
5. There was a Shadow Board discussion and decision early this year to issue discounts to this landowner for both 2015 and 2016 that was done without documentation, and was deliberately kept from some Board Members (hidden) and not brought before the entire Board for discussion and vote. This is WRONG!
6. Any reduction of assessments must be done by a vote of the Members or the Board following a policy that was established by a Member vote.
7. All official reductions of assessments, or related charges, for one landowner increases the burden on other landowners.
8. What other “discounts” has the GLA Board given? The landowners need to know and see the lineup of others granted similar discounts or who have had assessments forgiven entirely.