

## 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,  
To create a harmonious and inclusive community and to enhance property values.***

This Summary/Interpretation of the GLA's Finance Committee meeting held October 26, 2016  
is offered as a volunteer service by the GLFPC.

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

### Summary and Interpretation

The Finance Committee of the GLA Board had to reconvene to complete the 2017 draft budget in the kitchen of Liberty Hall in North Glastonbury (NG), on October 26, 2016. This follow-up meeting became necessary when, at the very end of the last week's meeting, Treasurer Rudy Parker was reminded that the draft budget was incomplete. Financial expert Regina Wunsch had pointed out that the line item amounts throughout the two-page draft budget had not been totaled to see if that figure matched the amount of money allocated for the 2017 budget.

Once Treasurer Rudy Parker arrived, the meeting was called to order and the partially completed draft budget was distributed as were other pertinent papers. To date, there are 396 land assessments and 300 dwelling assessments. This year two parcels were lost. Board member Charlene Murphy explained that, "The North Glastonbury Teaching Center (NGTC) was being counted as a GLA lot and it is not. It is one piece of land. They pay a *road* assessment fee. It is also the same for the South Glastonbury Teaching Center (SGTC)." For the record, the NGTC still owns a second parcel in NG for which they pay a standard assessment.

Not surprisingly, numerous side discussions developed as the committee attempted to finish estimating GLA's projected income and expenses for next year. Eventually, Murphy explained that the board does not expect committees to submit their own budget requests, because they always get what they need. Per the way we have always done things, she indicated, the Finance Committee traditionally projects budget details for all committees.

Landowners were concerned that the Road Committee had not yet prepared their sizeable budget. It appears there are no plans in place to get any professional guidance or formulate a system for road maintenance, most especially for the NG paved road. One landowner urged the Finance Committee to set aside funds to hire a professional road engineer to evaluate our roads, and thus be able to formulate a prudent, long-term maintenance plan. Perhaps, it could even be commensurate with new methods and new technologies of which none of us may be aware.

Then, discussions touched on a paragraph in the Collections Procedure draft that says *the board is willing to negotiate with any delinquent account holder at any time*. Some stated that a negotiation notice such as this is not a reasonable part of the procedure/policy because it actually *weakens* the GLA's ability to collect the full past due amounts. Others thought that the treasurer's habitual

propensity to unilaterally negotiate deals, as he claims is just being “charitable”, is a clear reckless misuse of association money and an abuse of his office as treasurer. No consensus could be reached on this controversial issue.

Another asked Parker to amend the agenda to enable a discussion concerning two parcels in NG for which the assessments have never been paid. Note: the \$40,000 plus balance on those parcels was reduced by over 50% to \$19,000, during the recent recalculations of past due accounts, allegedly because interest had been charged on interest, as stated in last week’s meeting. This week, Parker “adjusted” the figure to say that the reduction from the recalcs was more like \$25,000. Because the ownership of these parcels is alleged to be tied up in some kind of estate arrangement, and not in a land lease as previously understood, board and committee member Dan Kehoe purports that CUT is not responsible for any of the debt. Yet, he states that he is in negotiation with CUT, and CUT does not want to pay the total amount due (whatever that amount is) but is willing to accept a further discounted amount. Courthouse research shows that CUT is on the title of both properties, and CUT pays the taxes.

One landowner pointedly asked if other balances were reduced by over 50% during the recalculations. Without actually answering the question, and in his normal vein, Parker rationalized that other delinquent accounts were decreased by as much as \$6000 or \$7000, and the Church balance dropped as much as it did because the original balance was so large. And the three landowners in attendance once again gasped, “WHAT?”

The treasurer also clarified that some liens are in place on accounts with past due assessments and there are still more to come. To date, the board has not foreclosed on any of the older or larger delinquent accounts because the official collection policy and procedure is only in draft form. It was posted on the GLA website and sent to landowners for their perusal and commentary along with the voting packet material.

When the committee resumed drafting next year’s budget, discussion shifted to the road expenses, which consumes at least 70% of the entire GLA budget. As discussion of line items under “Road Expenses” became more involved, Parker said he did not know what to do about the details of the Snow Removal area of the budget. Board and committee member Mark Seaver reflected on how much easier it would have been to plan this and previous budgets, had past financial records been consistently and accurately documented for *at least* a decade. By consensus, this committee created a road budget of about \$89,000, which is fairly close to what it was for 2016. It was also agreed that if a road engineer were to be hired, the expense would have to come from unallocated savings. Furthermore, any leftover money from this part of the budget would go to the North and South Glastonbury Road Funds, respectively.

Based on other recommendations, the committee trimmed the maintenance budget for the NG soccer field by about \$1,000, leaving about \$800 for watering and mowing the grass. Once again, a concerned landowner brought up the mold infestation in the soccer field utility building. Contrary to Community Property Committee Chair, Charlotte Mizzi, this committee agreed that *serious* investigation into this problem was necessary. Hence, funds were kept to a minimum.

When all the numbers were finally added up, Parker called the 2017 GLA draft budget of \$135,765, “a balanced one.” He noted that unlike last year, there was no need to dip into unallocated savings in order to balance the budget this year.

Next on the amended agenda, was more discussion about whether to include a clause about negotiations in the Collections Procedure draft. One landowner had already written the board that negotiating should not be in the Collections Procedure and that negotiating comes from a point of weakness. A landowner attendee said, "That the board should adopt official criteria to first evaluate a landowner's proof of hardship, such as three months of bank statements, a current tax return and other personal property. Negotiations happen come in when it goes to court. At that point a monetary value could be determined. If you do it beforehand, they are going to expect it." Landowners urged the attending board members to stay with those standards and to forego negotiations because "all members should be treated equally. That is what so many people are enraged about." Kehoe then commented, "That allowing some members not to pay their assessments is not really helping them." As discussion continued, Kehoe explained that because after foreclosure has been filed, any mention of negotiations in the Collections Procedure/Policy seems unwarranted. Nonetheless, both Murphy and Kehoe advocated retaining the paragraph on negotiations in the Collection Policy draft.

The draft of the Collection Policy had been sent to landowners back on Oct. 11<sup>th</sup>, for a 30-day review and comment period which ends on November 10. Landowners are encouraged to send in commentaries on the proposed Collection Policy to the board. Murphy and Kehoe pushed for an immediate email board vote on Nov. 10<sup>th</sup>, right on the doorstep of the GLA Annual Election on Nov. 12<sup>th</sup>. Curiously, Murphy professed "it would be a great way to empower the new board to hit the deck running." Regardless, no consensus was achieved.

Yet one more discussion emerged about strategizing to reduce GLA's current 18% interest rate. Directors argued that the board had to adopt another "Rule" to establish a reduced interest rate on an *interim basis*, until such time as a community-wide repeat vote could happen. If the board were to put a rule in place, Kehoe's stock response was, "That a bird in the hand was better than none." Attendees voiced that if the board tried to reinstate another "Rule," many landowners would feel they had not been heard nor respected when they voted that measure down on Aug. 27<sup>th</sup>. On that day, landowners clearly rejected this board-driven initiative to change Covenant 11.06. Had it passed, the interest rate charged on delinquent accounts would have been reduced from 18% to 12%, retroactively for up to twenty years.

Then, one landowner asked, "Why is it that members are not paying their assessments?" A former Finance Committee volunteer landowner conveyed that when she was cold-calling members about their past due assessments, she heard many justifications as to why members refuse to pay. She answered that she's heard everything from, "We don't pay because the roads are crap. They don't listen to us. We are not satisfied. Still others believe they have a 'Divine Right' to live here, so they don't have to pay."

This meeting adjourned about 9 pm.

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