

# DVRC Financial Brainstorming Session

January 27, 2020

## Final Notes

- What is the best way to obtain accurate costs for capital improvements?
- Need a capital improvement list – this is on the next board study session agenda
- Need to prioritize capital improvements for the future. There needs to be a “wish list” developed of desired capital improvements.
- Goals can be established to raise funds for specific improvements
- Maintenance projects under \$3k comes out of maintenance budget which is part of the operating budget
- Pool maintenance and grounds maintenance are separate groups of funds
- If a maintenance project is over \$3k and is an enhancement, it is considered a capital expense. If a project is over \$3k, but is considered as upkeep (not enhancement), the funds come from the maintenance budget
- Normal operating expenditures include maintenance costs
- 10% of the annual fees go into the capital expenditure fund
- Transfer fees go into the operating budget
- Excess (unused) funds at the end of the fiscal year generally go into the capital fund, with minor exceptions
- Once funds are placed into the capital account they cannot be moved into operating expense account unless there is Board approval to do so
- Annual dues are considered to be late if not paid by December 31<sup>st</sup> of each year. The number of memberships is difficult to determine in January because of the grace period from December 31 – January 31. There is no actual “penalty” for not paying on time. Letters are sent by the office to those who are not current. It may not make sense to change the date when the annual fees are due
- The annual meeting occurs before the end of the grace period. It may make sense to change the annual meeting date. The Board should be able to change the date of the annual meeting; e.g., by a written notice 180 days in advance. Any change in the annual meeting date should not require the approval of the membership. The by-laws tie the hands of the Board regarding the annual meeting date. It would be better for the annual meeting to be held in February, for example
- January is also a difficult time for the office to prepare for the annual meeting by the second week of the month. The office is busy with year-end duties and collecting annual fees. If the annual meeting were moved to February, this would also be better for the office
- The office has made changes in order to make payments easier for members. e.g., quarterly payments, online payments. This could help alleviate some of the complications in the office with everyone paying by the end of the year

- Were the by-laws written for an HOA? The by-laws need to be re-examined to determine if they are meeting the needs of the DVRC to function more efficiently and effectively
- Winter visitors are here only seasonally. This needs to be considered when discussing annual fee payments and timing of the annual meeting
- If there is another survey it would be important to ask how many winter visitors there are compared to full-time members & residents
- It would be beneficial for DVRC to hold more of these types of meetings to discuss ideas and to facilitate developing plans for implementation
- Should dues be increased in 2021? Although it may be more ideal to focus on increasing the number of members to raise revenue, it is easier to increase the dues. Increasing the dues will cause membership to drop, at least in the short-term. There are no easy answers to this perplexing situation
- According to the survey conducted at the annual meeting most members agreed with raising the dues. It is recognized that there is a significant need to reach out to new residents more aggressively and to change attitudes about the dues and what exactly the dues pay for, etc.
- Is it possible to implement a program for individual owners to change their deeds in order to carry forward their DVRC membership in perpetuity when the home changes ownership? The office could assist with the paperwork.
- There is a recognized need to develop a brochure for realtors and others that better describes the need for new residents to become members in order to maintain the community and keep it age restricted
- Dues should be thought of as “essential” rather than as “optional”
- Some survey data was gathered during the strategic planning process. However, this data was limited to those who attended the meetings. If additional information from residents is desired in the near future, a survey should be sent out to households/owners. The last survey cost DVRC between \$2k and \$3k (without self-addressed, stamped envelopes included)
- DVRC must take advantage of all opportunities to increase members
- Staffing is a continued issue. There is no funded maintenance supervisor position. It may be difficult to find qualified people to assume this position. An administrator would help oversee necessary functions. There is not enough funding to pay salaries or hourly wages beyond the current staffing levels.

Another financial brainstorming session was scheduled for February 6, 2020 from 12:30 – 2:30 in Room 9.