**LAKE SAINT LOUIS COMMUNITY ASSOCIATION**

**FINANCE COMMITTEE MEETING MINUTES – FEBRUARY 18, 2020**

Meeting was called to order by chairman Wayne Walkenhorst at 6:00 P.M. and all members were present. The minutes of the January 21, 2020 meeting were unanimously approved, (Bill Kral motion, Don Otto second) as was the February meeting agenda (Don Otto motion, Bill Kral second). There was no old business.

In the discussion of Dock Repair, Heather Malone noted that LSLCA has spent an average of around $186,000 per year for the past 10 years for dock repair including new docks and that the ability to escrow money for additional dock work is constrained by the limitation of the capital budget. Doug Johnston asked how much we are receiving in dock fees and Bill Kral asked how many docks are being built or rebuilt. Heather said she should have that data available by the next meeting.

In her report on the Organizational Chart, Heather mentioned that the LSLCA currently has 12 full time employees with benefits, 2 full time without benefit package and 65 part time employees, quite a few of which work sporadically with very few hours.

Regarding Bad Debt Write Off expenses, Heather described that very few property owners fall into this category. The procedure for instituting a lien for unpaid LSLCA assessments is a 3% of balance due penalty imposed after 60- days after the annual due date. She mentioned that we have had some success with recoveries of delinquent assessments but that in personal bankruptcies, courts often do not assign debt to LSLCA a priority. In addition to being proactive in individual work-out arrangements, we have hired an attorney to be a bill collector who is compensated with 10% of the amount recovered on each case. Bill Kral asked for statistics on how many property owners are in arrears and to what extent in each case. Doug Johnston asked for more detail on collection costs including attorney fees.

In her report on Credit Card Fees, Heather noted that partly as a result of encouraging property owners to utilize the convenience of on line payment of assessments and fees, LSLCA credit card remittance costs are now in excess of $30,000. This represents a 3% cost on the $1,000,000+ paid by credit card both in the CA office and on line. There does not appear to be a corresponding reduction in office staff cost. For this reason and with the expectation that credit card payment of assessments and fees is likely to increase, there was considerable discussion about instituting a 3% charge on the amount of all credit card transactions with the exception of food and beverage sales. Heather Malone suggested encouraging ACH payments in lieu of credit card usage. Doug Johnston motioned to recommend to the Board a charge of 3% as a convenience fee on all on line and in office credit card purchases of LSLCA services and assessments. John Surgant, second. The motion passed 4 to 2 with Don Otto and Bill Kral opposed.

In the review of the Financial Forecast, Bill Kral asked for a footnote showing the estimated amount of depreciation for each year in the 10 year forecast and the current cost of golf cart leasing. Heather mentioned that the projected increase in the assessment reserve estimate is in need of further review and will ask our auditing firm to review this to identify any errors, discrepancies or omissions. In a comment on past results, she reminded the committee that LSLCA posted a loss in each of the past 10 years except 2012 and 2019.

Don Otto motioned that $300,000 of the assessment reserve be transferred to the dredging reserve to cover the escrow commitment for 2020. John Surgant seconded and the motion unanimously passed.

The meeting adjourned at 7:18 P.M.

Respectfully Submitted,

John M. Surgant, Jr.