

Charge
Select Committee for Association Funding

Summit Estates at Fischer
Board of Directors

Background

On December 11, 2022 The Board of Directors for Summit Estates at Fischer (SEF) asked Members to approve a slate of dues and fee increases that the Board recommended to ensure that the Association generated adequate revenues to reliably fund Association operations, fund currently urgent road repairs, and provide for general road maintenance for the foreseeable future. Members strongly rejected this proposal. Member comments during the discussion before the voted suggested the following concerns:

- Distrust of the Board's analysis of road needs.
- Distrust of the Board's cost estimates.
- Belief that the Members were poorly informed about needs, costs, and options.
- Belief that the Board had not thoroughly evaluated and documented potential options available to address Association financial needs.
- Belief that Members were not adequately involved in any process leading up to the Emergency Annual Meeting and vote on dues and fee increases.

Today, the Board believes that current dues and fees are potentially inadequate to sustain the operation of the Association during 2023 and beyond. The Board also believes that roads in Summit Estates are in dire condition, deteriorating rapidly, and risk damage to people, vehicles and property values if repairs do not begin soon. However, Summit Estates at Fischer simply does not have available funds or resources to accomplish more than superficial repairs.

Charge

On January 4, 2023 The Board of Directors voted to form a Select Committee for Association Funding composed of Association Members appointed by the Board to evaluate the Association's financial condition, financial risks the Association might face, and alternatives to be considered to address the Association's financial condition.

Paramount to evaluation of financial risks facing the Association is developing a concise understanding of Summit Estates road system, its condition, and alternatives available to address needed repairs and ongoing maintenance, as well as the costs to repair and maintain Association roads. The Board requests this Committee's report on their evaluation of our roads, alternatives to address their repair and maintenance, and projected costs/expenses to repair and maintain our roads.

SEF has been a Member managed Association since October of 2020 and took over direct management and all other Association functions in January 2021. At the time of this transition SEF and its Board received no documentation of the Association's cost of doing business. There were no budget or expense records transferred. There was only minimal documentation, a brief spreadsheet, that accompanied the transfer of funds from Rinco. For the first year of independent operations, there are no Board agendas or minutes available, no budgets or expense ledgers, and only a limited number of receipts and copies of bank statements available to document the Association's income and expenses.

The Board is asking this committee to review our income experience, compared to our expenses, to assess whether our income is adequate to address operational needs of the Association.

Finally, the Board recognizes that the Association has limited opportunities to generate the revenues needed to meet the Associations financial needs and obligations. We have sought to address these in the past and we have considered:

- Annual dues
- Impact fees (road fees)
- Special assessments
- Transfer of assets

The Board is asking this committee to consider any and all options for SEF to generate revenues to support the financial sustainability of Summit Estates at Fischer Associations financial condition and address financial risks in a manner that could support the long-term viability of our association and avoid the decline in condition of our assets and property values.

Schedule of Reports

The Board respectfully suggests the following schedule of reports from the Select Committee for Association Funding. These report dates may be adjusted with Board approval. The Board has appointed William Conrad as Committee liaison. Other board members are also committed to supporting your Committee as needed. The Board has budgeted limited funding for this committee. The Board and our property manager will make any and all Association Records available to your committee as you proceed.

February 28, 2023	Conduct organizational meeting, select chair and make other assignments, provide initial organizational report to the Board
April 15, 2023	Report to the Board of the Committee's assessment of roads, their condition, repair and maintenance alternatives, and projected costs/ expenses.
May 15, 2023	Report to the Board of the Committees assessment of Association income and expenses and its ability to meet financial needs and risks
June 1, 2023	Report to the Board the Committees evaluation of funding and revenue alternatives available to the Association, and recommend whether or how the Board should uses these to fund association operations.
June 15, 2023	Final Report to the Board summarizing the Committees assessments and evaluations and document recommendations from the Committee to the Board and Association members for moving forward.

Next Steps

Any and all reports from the Select Committee shall be shared with the general membership. Once the final report is received by the Board of Directors they will consider the Committee's recommendations and member feedback, and craft a proposal for funding Summit Estates at Fischer on a sustainable basis that will be presented to the general membership for voting and approval. Our goal is to have a proposal before members before November, 2023.

Select Committee Members:

Tony Edmunds
Neil Burch
Mike Harlin
Bill Blassingame
John Law Rhonda Yanoski
Chuck Woolridge
Leslie Lawson