

Orchidland Community Association, Inc.
Approved Minutes of the Special Meeting of the Board of Directors
October 26, 2010

Call to Order: The meeting was called to order at 5:39 p.m. by Jerry Gardner.

Members Present: Jerry Gardner, President; Derek Shimizu, Vice President; Ralph Boyea, Secretary; Fred McConnell, Treasurer; Dennis McCartin, Road Chair; Bill Lupton and Marti Morishige. Adrian Dalton and Gary Dalton, Jr., Road Managers, were also present.

Guests: Rick Turner.

Approval of Minutes: Three sets of executive session minutes from last fiscal year were presented for approval, as well as minutes of the previous Board meeting.

Ralph Boyea moved to accept and file the executive session minutes of November 10, 2009; January 26, 2010; and June 15, 2010; as circulated. Dennis McCartin seconded all three motions, which were passed unanimously by the members present at those meetings.

Ralph Boyea moved to accept the minutes of the October 19, 2010, Board of Directors meeting, as circulated. Fred McConnell seconded. The motion passed unanimously.

Accounting Discrepancies: Fred reported that the Association's accounting software has been "incorrectly used for our needs," and our CPA has asked why fund accounts do not reconcile.

Fred said that statements were mailed with the newsletter last May 1, due May 31. Many payments received before July 1 were recognized for last fiscal year, although they were 2010-2011 MRMA's. The MRMA's should be due on July 1.

Also, payments were entered as ledger entries rather than through customer records. Accounts receivable does not accurately reflect what has not been paid, because accounts receivable comes off the customer ledger. Each individual lot's payment history needs to be entered in QuickBooks, including to which funds payments were credited. Additionally, Lisa is using two different accounting systems, whose numbers do not match. The budget entered in Excel differs from the budget in QuickBooks by \$20,000. Fred said the Records Keeper should use only one accounting system.

Fred McConnell moved that corrective actions be taken to ensure that QuickBooks utilizes customer histories and reports. Dennis McCartin seconded. The motion passed unanimously.

Jerry said the fund balances are still correct. Bill added that accounts receivable totals should agree with the general ledger.

Road Work/Finances: The road fund had a total of \$72,162.80 on September 30. Jerry said that only \$26,069.26 remains after the remaining \$31,093.54 budgeted for the administrative fund and \$15,000 for disaster relief are subtracted.

Ralph added that the budget includes allocations for the Road Managers' salary for the remainder of the year, equipment maintenance and storage, fuel and oil, trash, small tools, contingency and liability insurance. Our Road Managers are owed \$6,944 for the remainder of the fiscal year, according to contract.

At times in the past, $\frac{3}{4}$ of the salary was paid from RMC funds, with the remaining quarter paid from paving funds, since the road crew does the preparation for paving projects. Also, we are no longer paying \$300 per month for equipment storage, which reduces that line item by \$3600.

Adrian said that maintenance on the Kubota tractor cost \$1700 last year. So far, \$600 has been spent, so another \$1200 should be sufficient. Fuel and oil costs are included in the hourly operating rate for the Kubota, not billed separately.

Of the \$8000 budgeted for liability insurance, \$3488.54 has already been paid.

Fred suggested that half of the monies still owed to the administrative fund be held in the RMC fund unless and until actually needed by the administrative fund.

Dennis stated that \$8,220.57 was paid between October 1 and October 12 for road projects, leaving 18,243.16 in the RMC fund.

Ralph said \$18,550 has been budgeted. "We need to amend the budget tonight" to make allowance for the shortfall.

Jerry said we want to continue to provide materials for work parties. Dennis said the sled work on the side roads has reduced the need for gravel.

Adrian said roughly \$2000 is needed for another load of coldpatch to fix the chipsealed roads. Jerry said up to 10% of the current paving assessment collected after July 1 can be used to repair the old paving.

Ralph Boyea moved, due to budgetary constraints, to suspend payments on the following budgeted items: \$3500 for fuel/oil; \$600 for trash; \$800 for small tools; and \$3000 for contingency. Dennis McCartin seconded the motion, which passed unanimously.

Ralph Boyea moved to reduce the amount budgeted for equipment maintenance and storage from \$7400 to \$1800. Fred McConnell seconded, and the motion passed unanimously.

Ralph Boyea moved to revert to the previous practice of paying 25 percent of the Road Manager's fee, or \$2100 of the budgeted \$8400, from the paving fund. Fred McConnell seconded, and the motion passed unanimously.

The administrative fund has received \$20,702.67 from the RMC fund of the budgeted \$56,240 this fiscal year. Ralph suggested that the Board similarly review the administrative budget to free funds to spend on roads. He said last year we spent \$44,485.41 on administrative costs, but this year we gave increases to several of our contractors, and postal rates are increasing. So far, there have been no legal expenses, but "we can't count on that this early in the fiscal year."

Ralph Boyea moved to transfer \$31,000 from the road maintenance fund back to the general fund; Marti Morishige seconded. The motion passed unanimously.

Ralph Boyea moved to transfer \$15,000 from the road maintenance checking account to road maintenance savings for the purpose of maintaining an emergency relief fund. Marti Morishige seconded, and the motion passed unanimously.

Fred said that any monies spent must be approved by motions at meetings. Even discretionary amounts under \$1000 approved by the Road Chair need to be discussed at Board meetings, so that the Board is aware of those expenditures.

Ralph said that road projects are still in abeyance, and can end when we have more monies to spend. "It looks like tonight we found \$18,000."

Adrian expressed concern that funds be made available to repair potholes in the chipseal "within a couple of weeks of their formation." Dennis said that Orchardland Dr. and Auli'i St. need volunteers to coldpatch.

Jerry said we need to "do nothing for awhile" until we see if more MRMA's come in.

Fred said that we have received approximately half of the MRMA's owed to OLCA this year to date. Last year we received 67%.

Adjournment: The meeting was adjourned at 7:18 p.m.

Respectfully submitted by:

Kirstie Goin, Recording Secretary

Ralph Boyea, Corporate Secretary

Motions Log 10-26-10

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