

Questions from Town Halls of August 15 and August 18, 2020

General Questions

Q. “How do we assure that someone on the Board understands budgeting well enough to avoid inappropriate transfers of funds between lines?”

- A. A “Bottom Up” budget starts with what you need, whereas a “Top Down” starts with what you have to work with. CCA uses a bottom up budgeting process, which assures that relatively realistic numbers are assigned to each line item. CCA has the authority to move Operating budget lines around as needed. Based on previous history of expenditures, and projections for the future provided by management, the Finance Committee and the Board create budget lines, which are guidelines. The General manager has authority to move funds between lines, as long as the budget stays in the black. We have flexibility. We do track spending and how much is available for the remainder of the year. We end the year in the black, with a balanced budget. When a Reserve expenditure is involved, the Accounting manager presents a Financial Transfer Resolution to the Finance Committee for recommendation and approval by the Board to transfer funds between Administrative and Reserve accounts.

Q. “What is the gate budget? Are we capturing the people who break it?”

- A. There is not a specific budget for the gate. Maintenance of it is covered through the Maintenance department. The biggest cost is the electricity to operate it. Repairs when it is broken through are minimal (\$5 to \$10 for new bolts and staff time). A more complete discussion of gate issues is available soon on the Frequently Asked Questions page of the Clearwood website (<http://www.clearwood-yelm.com/wp-content/uploads/2020/07/Gate-Questions.pdf>).

Q. “I've driven by the tennis courts a few times never once seeing people play. Why would we put money into something we don't use?”

- A. Our Insurance agent has reviewed the tennis courts and they have been closed because they are unsafe to play on due to cracking and uneven surfaces. An engineering firm has been hired to look at the courts and make recommendations. The Board can then make educated decisions.

Q. “What is the 0.5% buyer fee and late fees?”

- A. A letter explaining the ½ of 1% buyer transfer fee has been issued and is available on the website. http://www.clearwood-yelm.com/wp-content/uploads/2020/07/2020-Capital-Transfer-Fee-8.20.20-Board-communication_.pdf.

We are not certain what you mean by late fees. There is no “Late fee” for anything. For people who pay their dues monthly, there is a finance charge of 1% per month on the unpaid balance, and there is a service charge of 3% if paying by credit card.

Q. "Why did We the community members not get to vote on the 0.5% buyers fee?"

A. The Board and General Manager have authority to adjust fees, which is a management activity. The community has to vote to change fines.

Q. "When was the 0.5% implemented?"

A. June 27, 2020, with a vote of the Board to approve Financial Resolution 2020-06-02.

Q. "Will there be changes to the gates?"

A. Not this year. The Card system is aging and the Board is looking at options for a new system. Most likely this will be looked at in relation to a new security system, which is in the Reserve Study for 2021.

Budget-Related Questions

Q. "What is the projected gains from violations?"

A. It is not a goal of Clearwood to receive income from Violations. The goal is compliance. No amount is set, there is no quota, and there is no income projection made for fees to be collected from violations.

Q. "What is the budget you have for the property management team we voted in last year?"

A. We are not sure we understand the question. This is our best effort to answer. If it doesn't address your question, please send an email to info@clearwood.org to clarify. Our current model for professional property management consists of a General Manager, who is an employee of the Association, supported by consultants in accounting, human resources, and a consultant for large capital projects, who also advises the General Manager as needed. The total cost for the consultants is budgeted for 2021 at \$61,550. Individual employee salaries are confidential. The General Manager's salary is included in the Administration salaries and wages line.

Q. "Will the security budget go to getting actual security instead of donation to Thurston county sheriff's department since they don't actually come unless we call?"

A. This year the Board voted to use remaining sheriff stipend funds to hire private security. Next year, the plan is to contract with a private security company, with a budget of \$20,000. Bids have been requested and are coming in now. To clarify, the sheriff stipend funds were used only if a deputy worked an additional shift, as requested by us, and a bill was submitted. That's why the money stayed in the budget. Deputies were not interested in working extra shifts.

Q. "Are the water prices going up this year?"

A. No. As was explained in the town hall presentation, the plan for 2021 is to review water rates and make any appropriate adjustments in the following year, 2022.