

**LAKE RIDGE PARKS & RECREATION ASSOCIATION, INC.**  
**FINANCE COMMITTEE MEETING**  
**TALL OAKS COMMUNITY CENTER AND VIRTUALLY VIA ZOOM**  
**August 25, 2020**  
**AGENDA**

- I. Call to Order 7:00PM
- II. Open Forum
- III. Approval of the June 30, 2020 Minutes
- IV. Employee Health Insurance Presentation – Ike Mutlu
- V. 2021 Financial Review
  - a. 3 to 6 month loss due to pandemic
  - b. 7 to 12 month loss due to pandemic
  - c. Delinquency trends
  - d. Identifying savings or cost cutting opportunities
- VI. Open Forum
- VII. Adjournment

\* Please contact, Doug Milburn, Director of Administration at [DMilburn@lakeridgeva.com](mailto:DMilburn@lakeridgeva.com) by 4pm (EST), Tuesday, August 25th to participate virtually\*

**LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC. (LRPRA)**  
**FINANCE COMMITTEE MEETING MINUTES**  
**June 30, 2020**

**Tall Oaks Community Center and virtually via ZOOM**

**Due to the COVID-19 pandemic, this meeting was conducted as an in-person/virtual hybrid meeting that had all committee members meeting virtually via ZOOM. Members of the community were offered the ability to join in, virtually using the software, ZOOM.**

**PRESENT:** *Committee Members:* Brent Barnwell (Chair via ZOOM), Janet Foote (President via ZOOM), Michael Butler (via ZOOM), *Staff Members:* Michael Yuenger (Director of Finance and IT), Rebecca Hale (Assistant Finance Director), Doug Milburn (Director of Administration and Human Resources) *Board Members:* Chris Berry (via ZOOM), Tina Herndon (via ZOOM)

**ABSENT:** Mike Stephens (Committee Member), Ike Mutlu (Chief Operating Officer/General Manager)

**OPEN MEETING:** Mr. Barnwell opened the meeting at 7:00pm.

**OPEN FORUM:** There was no discussion at this time.

**APPROVAL OF THE MAY 28, 2020 MINUTES:** Mr. Butler made a motion to approve the minutes. Ms. Foote seconded the motion; the minutes were unanimously approved.

**RESERVE CONTRIBUTION:** Mr. Berry discussed the reserve contribution fund that is contributed to by the homeowners and specifically the cost for individuals that are purchasing new homeowners. Mr. Barnwell spoke about how much it benefits the association and the exact amount that is raised per year from the contributions. Ms. Foote reiterated that an analysis and statistics on the reserve contribution fee were sent out to the committee on May 12, 2020 for the committee's review and that a motion has been created to work directly with the analysis. Ms. Foote made a motion that the Finance Committee recommend to the Board of Directors that the reserve contribution be raised to \$1000 for the FY2021 budget. Mr. Butler seconded the motion and requested discussion. Ms. Foote explained the number continues to be very conservative in relation to the necessity of what is needed in our reserves. She stated we have a fiduciary responsibility to our community to build the necessary funds to have adequate reserves. The motion was passed by a unanimous vote.

**CURRENT FINANCIAL POSITION—ANTICIPATED YEAR END INCOME, EXPENSES, AND CHALLENGES:** Mr. Yuenger began discussion on the challenges of COVID-19 and the difficulty of forecasting revenues. Mr. Yuenger stated that he is starting to see an increase in home sales and that it looks like it is moving in a positive direction. He spoke on the fact that collections continue to be a struggle, but we are working to lower those numbers. Ms. Hale addressed the committee stating that we have given homeowners an extra 15 days in this quarter for late fees and sees our numbers of late assessment payments as doing well. She is estimating that we may recover significant funds returned to us from Premier Aquatics due to not opening 3 pools and believes this may assist in us breaking even for the fiscal year. Ms. Foote presented that we have had significant losses of income in relation to recreation programs, aquatics programs, and interest income.

**2021 BUDGET:** Mr. Barnwell began discussion of the 2021 budget by stating that there was a new budget sent out to the finance committee, but there were no substantial changes. Mr. Yuenger spoke about this most recent budget and stated that he was not comfortable with the current proposed budget. This was due to the budget

being drafted before the COVID-19 pandemic and that we would want to increase assessments and take the finance committee's recommendation to raise the contribution fee to \$1000. Mr. Yuenger made the point that the current proposed budget does not account for any increase in the capital improvement fund and does not provide for a contingency reserve. He believes raising assessments could help remedy some of these issues. Ms. Hale stated that by raising assessments from 2.5% - 5.0% it would increase revenue by \$100,000. Mr. Barnwell requested to Mr. Yuenger that he put together a new budget that account for an increase in homeowner assessment that appropriately meets our needs to keep our fiduciary responsibility to our community. Ms. Foote, Mr. Yuenger, and Ms. Hale discussed the concept of deferring some projects such as pavement work and amenity upgrades but ultimately decided that this is not in our best interest in relation to providing the community what they need. After continued discussion of what is necessary to plan for the upcoming year, the committee decided that for reasons relating to our overall current financial situation, we should raise annual assessments by 5%. Mr. Butler made a motion that the Finance Committee make a recommendation to the Board of Directors that we increase annual assessments by 5%. Ms. Foote seconded the motion and it was unanimously approved. Mr. Yuenger and Ms. Hale will work on a new draft budget to reflect this recommendation. Ms. Foote recommended that the request to the Board of Directors include rationale as to why the committee believes this is a sound plan of action.

**OPEN FORUM:** Ms. Foote let everyone know that she watched a CAI presentation that mentioned a Board of Directors that had resignations due to having to make tough decisions during the pandemic. She praised our Board of Directors for being able to continuously work and make decisions in this tough time

**ADJOURNMENT:** Ms. Foote made a motion to adjourn the meeting at 8:01pm, Mr. Butler seconded the motion and it was unanimously approved.