

**Terry Lake Recreation Association  
P.O. Box 215  
Fort Collins, CO 80522**

**Board of Directors Meeting – March 3, 2011**

**APPROVED – Minutes - APPROVED**

**In Attendance:**

<u>Yes</u>	Mary Nowak, President	Terry Cove
<u>Yes</u>	Jack Lundt, Vice-President	West Side
<u>Yes</u>	Joe Bent, Sec/Treas./Bus Mgr.	Terry Point
<u>Yes</u>	LeeAnn Bayer	East Side
<u>Yes</u>	Dan Meyer	Terry Shores
<u>Yes</u>	John Marwitz	Terry Point
<u>Yes</u>	Todd Boyt	Terry Shores
<u>Yes</u>	Tex Anderson, Alternate	Terry Point
<u>No</u>	Derek Harvey, Alternate	Terry Shores
<u>No</u>	Randy Wassell, Alternate	East Side
<u>No</u>	Mike Wilkinson, Alternate	Terry Cove

**1. [Mary] Call to Order: 7:00 PM**

**2. [Mary] Quorum Count: Voting board members present: 7**

**3. [Joe] Reading and approval of the minutes from January 20, 2011, Board of Directors meeting.**

**Motion:** Todd moved that the minutes of the January 20, 2011, be accepted as presented.

**Second:** Dan

**Vote:** Unanimous in favor

**Action Item:**

**4. [Joe] Financial Report**

Joe reported that there had been little financial activity so far this year: three transfer payments, and payments of the 2010 tax preparation fee, the insurance premiums and some admin expenses. He also reported that the IRS will no longer accept paper checks for the Federal tax payment. Instead, we must pay electronically through the EFTPS.gov system.

**Motion:** Joe moved that the financial report be accepted as presented.

**Second:** John

**Vote:** Unanimous in favor

**Motion:** Joe moved that he be authorized to make a one-time electronic payment via the EFTPS system to pay the 2010 Federal income tax of \$11.00.

**Second:** Dan

**Vote:** Unanimous in favor

**Action Item:** Joe will pay the 2010 Federal tax electronically.

**5. [Joe] 2011 Budget**

Joe presented a breakdown of the primary costs that TLRA incurs each year and five scenarios for 2011 with active dues ranging from \$210 to \$260. It was noted that dues had not been raised since 2005 and then only nominally. Also, that the infusion of initiation fees when Terry Cove homeowners became members has gradually been drawn down over the past few years while the annual lease payments have been increasing \$1,000 per year and were \$34,000 in 2010. With the new five year lease, signed in February, 2011, the lease payments will continue to increase by \$1,000 per year starting at \$35,000 in 2011. It should be noted that the payment increases by a smaller percentage each year, rather than a fixed percentage each year.

**Motion:** 1. Dan moved that the annual active dues be raised to \$240 per year and that all other dues and fees be raised per the prior ratios.

**Second:** Todd

**Vote:** Unanimous in favor.

**Action Item:** Joe will update the appropriate documents with the new rates as well as the website.

**Motion:** 2. Jack moved that the \$240 column of the scenarios be adopted as the budget for 2011.

**Second:** Todd

**Vote:** Unanimous in favor.

**Action Item:** Refer to 2011 Budget Analysis at the end of these minutes for the details of the 2011 budget.

**6. [Joe] Budget Cycle**

Joe noted that in past meetings the board wanted have a budget cycle whereby all requests for TLRA funds, matching or otherwise, be submitted by a certain date so that they could be evaluated and prioritized against the available funds in the annual budget. Because of the delays as a result of lease negotiations, etc., this year it was suggested that the date be moved back so that there could be an announcement in a newsletter as to when they would be due.

**Motion:** Joe moved that for 2011, the date for requesting matching funds or other funds be May 15<sup>th</sup>.

**Second:** Jack

**Vote:** Unanimous in favor.

**Action Item:** Joe will have a notice in the next newsletter.

**7. [Dan] Marking Buoys**

Dan mentioned that the marking buoys around the outlet needed to be replaced. He reported that replacements would cost \$240 each and that we needed three buoys.

**Motion:** Mary moved that Dan be authorized to purchase and install three buoys.

**Second:** Todd

**Vote:** Unanimous in favor.

**Action Item:**

**8. Set next Board meeting date:**

**Motion:** Mary moved that the next meeting be scheduled for April 20<sup>th</sup> at 7:00 PM

**Second:** Joe

**Vote:** Unanimous in favor.

**Action Item:**

**8. Motion to adjourn at 9:00 PM**

**Motion:** Joe

**Second:** Mary

**Vote:** Unanimous in favor

**Action Item:**

**2011 Budget Analysis**

The basic budget for 2011 is:

	<b>Dues 240/120</b>
Income	
Membership Dues (Active/Inactive)	45,960.00
Fee Income (Initiation, Transfer, Late)	4,000.00
Total Income	49,960.00
Expenses	
Lake Lease	35,000.00
Insurance	4,900.00
Admin/Overhead	3,500.00
Stewardship and Enhancement Projects	
Known Projects	
Pet-Pickup	225.00
Weed Control	1,150.00

Erosion Control	3,000.00
Fish Stocking	3,500.00
Total Known Projects	7,875.00
Anticipated Special Project Funding Needs	3,000.00
Total Stewardship & Enhancement Projects	10,875.00
Total Expenses	54,275.00
Income less Expenses	-4,315.00

### 2011 Budget Notes

1. **Dues Income** – For the past three years, we have had an average of 176 Active members and 30 Inactive members. These were the numbers used to project dues income.
2. **Fee Income** – This includes initiation fees, late fees and transfer fees. These vary considerably from year to year and are difficult to predict. \$4,000 was chosen as a conservative figure because of the unpredictability of this source of income.
3. **Major Expenses** (Insurance, Lease and Administrative Costs) – These three categories are fairly predictable. Insurance costs have been stable for the past several years at \$4,900 and we have not had any claims activity. The new lease addendum calls for a payment of \$35,000 this year with \$1,000 increments each year thereafter. Administrative costs have also been fairly stable over the past couple of years at approximately \$3,500.
4. **Stewardship and Enhancement Projects** – For the known projects (pet pick-ups, erosion control, fish stocking and weed control) we have fairly accurate estimates of what we will spend this year. \$3,000 has been allocated for stewardship projects and projects for which matching funds will be requested.
5. **Overall**, a “loss” of just over \$4,000 is projected. This will be reduced if our fee income is greater than expected and as we finish drawing down the surplus of funds TLRA received when all of the homes at Terry Cove became members.

### Dues and Fee Adjustments

The Active Dues were set at \$240.00 per year. Other dues and fees were adjusted to have the same percentage relationships that existed prior to the 2011 dues increase. For example, Inactive dues are 50% of Active dues and, therefore, set at \$120.00 per year.

The table below shows the new dues and fee structure:

Dues/Fees	Amount
Active Annual Dues	\$240.00
Active Membership Late Fee	\$48.00
Inactive Annual Dues	\$120.00
Inactive Membership Late Fee	\$24.00
Transfer Fee	\$360.00
Initiation Fee	\$2,400.00

For the Initiation Fee there were two graduated payment plans, two years and three years. Each had a premium over and above the basic \$2,100.00 initial fee of \$100 and \$200, respectively.

2010 & Prior Initiation Fee Options					
Plan	Year 1	Year 2	Year 3	Premium	Total
One-Time Pymt	\$2,100	N/A	N/A	N/A	\$2,100
Two-Year	\$1,200	\$1,000	N/A	\$100	\$2,200
Three-Year	\$850	\$750	\$700	\$200	\$2,300

The initiation fee options for 2011 maintain the same “premiums” and have been adjusted as follows:

<b>2011 Initiation Fee Options</b>					
<b>Plan</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Premium</b>	<b>Total</b>
One-Time Pymt	\$2,400	N/A	N/A	N/A	\$2,400
Two-Year	\$1,350	\$1,150	N/A	\$100	\$2,500
Three-Year	\$950	\$850	\$800	\$200	\$2,600