

**FINANCE AND BUDGET
COMMITTEE MEETING
OCTOBER 26, 2011**

The meeting began at 10:00 a.m. All committee members, Joanne Ribble, Alan Stinson, John McGuire , and Bob Luttrell were present. (John was present by conference call.) Also present were Dave Lisbon, Anne Mele, and Sandy Korein.

The Committee makes the following recommendations to the Board of Directors:

1. To adopt a 2012 Operating **Budget** of \$770,462, and an Operating **Assessment** of \$759,362. (The difference of \$11,100 is projected to be received from guest room charges, application fees, and interest.)

2. To adopt a 2012 Reserve **Assessment** of \$125,078. This is slightly higher than the \$123,000 assessment projected in the long-term Reserve projections in order to make the **total** recommended **Operating and Reserve Assessments** for 2012 equal to the actual 2011 assessments.

3. To maintain the 2011 level of total assessment per unit for 2012.

4. To transfer the sum of \$20,000 from the Operating Account to the Reserve Account. This is recommended because the Operating Account balance is believed to be greater than required, and an increase in the Reserve Balance is desirable. This has no effect on the recommended 2012 assessment or budget.

5. Because there has been an ongoing concern about the adequacy of the Reserve Account, to advise unit owners that future increases in the Reserve Assessments may be necessary, and to undertake a study of the reserve funding in an effort to determine an appropriate pattern of reserve assessments.

A comparison of the 2011 adopted budget and the 2012 recommended budget:

	2011 Actual	2012 Proposed
Operating Assessment	\$770,440	\$759,362
Other Operating Income	<u>11,500</u>	<u>11,100</u>
Total Operating Income	<u>\$781,940</u>	<u>\$770,462</u>
Total Reserve Assessment	<u>\$114,000</u>	<u>\$125,078</u>
Total Assessment *	<u>\$884,440</u>	<u>\$884,440</u>

*Excludes other operating income

The meeting was adjourned at 11:25 a.m.