

be instructed on the new implementation of the rules.

From the looks of things, any possible gains made by the prior board will be quickly undone at the expense of the resident/owners. It became evident that there will be no "holding of PCM's feet to the fire" when it comes to manpower and quality of service. One of the first items of business was to reinstate those PCM staff employees who were cut out of the 2012 budget.

Boards seem to be willing to hand over manpower allocations without justifying the results/costs of the labor. This is probably due to the lack of experience of the directors when taking on such tasks as, Creating a Budget. Their first handicap comes when PCM says, "Here's how much the budget should be!" That's the starting point and any Board reduction in expenses is met by a tirade from PCM listing all of those services that such a reduction will result in. Haven't we heard the outcry from our local politicians when cuts are suggested, "No more firefighters, policemen, librarians, school teachers, etc." This is also PCM's strategy and they will respond to a cut in the budget with the dire consequences of such action. Naturally the Directors fold.

How can a Director compete with a "machine" that has been in charge for 40 years. They can't! UNLESS! We do what a couple of our predecessors did over the past 40 years, mandate an **OPERATIONAL AUDIT**. When you hire people who have the experience and knowledge of how to deal with PCM, you can get some results. Do we have areas to be reviewed to ensure that we are getting our money's worth with quality service? You Bet! Just look at Landscaping and the number of PCM employees in the Administration Building.

The number of PCM employees hired to manage our Home Owners Association is suspect, as are the wages that we are paying those employees. Justification of the manpower needed to provide our necessary service is outside the scope of most Direc-

tors. If we don't rely on an Operational Audit, how can we expect to attain the necessary skills to monitor PCM? Certainly NOT by removing any potentially qualified residents from our committees! One of the initial steps taken by the Third Mutual Board.

In the "real" world (businesses for profit) where expenses are scrutinized and held to a minimum, when an employee rises to a new pay scale or level, his manager should justify that upward move by the increased productivity of the individual. Usually it involves greater output on the employees part or savings in other manpower within the department. You don't reward someone with increased money just because he has "time in grade."

That is a losing proposition and is one of the reasons that businesses go bankrupt. This is usually recognized by reviewing where staff people are paid within their pay scale. A heavily weighted distribution on the top of their pay scales means that they are paid by "time-in-grade" and not necessarily justified by increased output.

This is common in companies who hire and promote within the company since they don't normally have an influx of lower pay scales.

Using Reserves for Operational costs is **against the rules governing Reserves**. Reserves are defined for specific uses and should not be reallocated to Operational costs like the current board is trying to do in our 2012 budget. When Director Moore made a motion to increase the monthly operational budget by \$15.00 per month to eliminate the scavenging of the Reserve Budget, the board voted it down and continued the façade to placate PCM. As a result, our Reserves which had been remaining constant for the past several years will in effect, go down. Not a good prospect when we realize all the potential costs that we are faced with; Flooding, Copper Pipe Leaks, Landscaping, etc.

We need to lower assessments not increase costs.