

The Voice



State of the HOA

Changing Direction

Several people have expressed their concerns over the Director's Corner article written by Third Mutual's current treasurer. They tell us that to them it looked like this was step one to increasing monthly assessments and laying the blame squarely on the shoulders of the former Board. We have no way of knowing for certain if this was the actual basis behind how that article was written, but we do think it is important for our membership to understand how our budgets are established.

Next year's budget is developed in the spring and summer of the current year. The 2010 budget was established in 2009 based on staff proposed Salary, Wage and Benefit increases during a period of economic slowdown and when members were getting NO Social Security increases. Those circumstances reflected a totally unacceptable situation. Kathryn Freshley, the former treasurer was supported by the majority as she worked tirelessly to bring the proposed expenditures in line with reason and understanding of the circumstances faced by Third's membership where personal income was shrinking for so many.

While it is true that the Maintenance and Construction operating expenditures for 2010 ex-

ceeded budget by \$349,000, it was due to an **underestimate by staff** and lack of recognition of the extent of dry rot problems which were then and still are surfacing throughout the community. Rotting beams and stair treads create safety hazards. In October 2010 the board was able to approve payments for the excess costs incurred **because Third had the money in Reserves!** This enabled the Board to act responsibly and continue the repairs prior to painting as well as the roof repair programs. Maintenance of housing stock and provision for the safety of residents must ALWAYS take priority over other discretionary expenditures. While the former majority clearly demonstrated this, the recent voting regarding the necessity for increasing the rate of fire alarm replacements indicates that some current members either don't get it, or don't understand that safety of residents must be one of their highest priorities!

Reaching this point in the learning curve due to the experience of under-anticipated costs of necessary

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Residents Voice
Meetings
Thursday, February 16
Thursday, March 15
CH #5 6:30 pm

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