

REQUEST FOR ACTION

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|-----------------|-----------------------------------|------------------|---|---------------|-------------|
| To | The Collection Board of Directors | | | | |
| Subject | B&F Committee Makeup | | | | |
| Preparer | Roy Howard and Russell Ryan | | | | |
| Date | 12/04/2018 | For Board | x | Action | Info |

EXECUTIVE SUMMARY

Regarding the current change to the number of members of the Budget & Finance Committee Members.

The current AOOU Board increased the number of committee members from 5 (3 board directors & 2 non-board member owners) to 7 by adding 2 more Board Directors. The Committee now consists of 5 Board Directors and 2 non-Board member owners.

This current status is in direct contrast to the original intent when the Committee was formed. The intent was to give non-Board member owners a voice and encourage owners with Budget & Finance expertise to share their skill set.

Recent interaction with the new B&F Committee members from the Board of Directors only reinforces the need for this because their limited knowledge with B&F matters has been evident in decisions made that would jeopardize the value of condos by not keeping maintenance fees steady, but a lack of decision making on implementing an investment program thereby missing out on a market return on over \$500,000.

RECOMMENDATION

The following Board members remove themselves from the Budget & Finance Committee:

Board President Wei-kung Wang, Board VP Debbie Ishihara-Wong,
Either revert back to a 5-member committee as was established, or replace the two new additional member with 2 non-Board member volunteers with more B&F experience.

RATIONALE

The intent of increasing the number of Committee members from 3 to 5 was to add 2 non-Board member owners to obtain input and experience into financial and budgetary recommendations.

An increase to 7 with just 2 non-Board owners with 5 actual Board Directors impedes this intent. If the need is determined to increase the committee from 5 to 7, then the B&F Committee should consist of 4 non-Board owners minimum to increase the likelihood of more budget & finance literates and promote/allow more owner involvement.

The addition of the current President and VP to the B&F Committee only consolidates power that should be distributed more fairly and effectively in its representation of the Owners.

| Exhibits (If applicable) | Index | Title |
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| FOR BOARD USE ONLY | | | | | | | | | | | |
| CERTIFICATE OF BOARD ACTION | | | | | | | | | | | |
| <input type="checkbox"/> | Approved | <input checked="" type="checkbox"/> | Declined | <input type="checkbox"/> | Noted | <input type="checkbox"/> | Returned | <input type="checkbox"/> | Deferred | <input type="checkbox"/> | Withdrawn |
| Stipulations | | | | | | | | | | | |
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| Coordinating Instructions | | | | | | | | | | | |
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| Distribution Instructions | | | | | | | | | | | |
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| Recording Secretary | | | | | | Action Date | 1/24/19 | RFA No. | 42 - 2018 | | |