

# Budget Ratification Issue

I believe the prior AV Blog posting on this topic was clear, but I have been asked to summarize it and to add some additional info.

1. Del Webb wrote into our CC&Rs the requirement for 90% of homeowners to be present at the annual meeting to reject a budget. This has always been an insulting stipulation for a master plan of thousands of units. And, since there have been two major amendments to the CC&Rs in the past, this onerous rule could have been changed.

2. NRS 116.31151.3 was changed in recent years to state:

*"Within 60 days after adoption of any proposed budget for the common-interest community, the executive board shall provide a summary of the proposed budget to each unit's owner and shall set a date for a meeting of the units' owners to consider ratification of the proposed budget not less than 14 days or more than 30 days after the mailing of the summaries. **Unless at that meeting a majority of all units' owners, or any larger vote specified in the declaration, reject the proposed budget, the proposed budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the units' owners must be continued until such time as the units' owners ratify a subsequent budget proposed by the executive board."***

3. John Briggs and I are proposing to ask the new SCA board to sponsor deletion of the 90% criteria from our CC&Rs so the above (basic) NRS 116.31151.3 stipulation of majority rule is implemented in SCA.

4. We will also propose to take advantage of other parts of the law to use a secret ballot to obtain member votes and opinions on the budget, reserves, improvements projects, and related dues levels--before the annual meeting is convened. We will also propose to make efficient use of the mailer to gather ANNUAL feedback/opinion and/or votes by homeowners concerning important SCA policies, procedures and lifestyle matters. These informational gathering steps will be tied to a long-range planning process I have been advocating since the beginning of last year's board campaign.

Bottom line: SCA is a "community" of homeowners who must be treated according to their unit owner rights and SCA CAI contractual obligations. The SCA Board is accountable to the homeowners as well as to local and state governments. The budget is where the money paid by homeowners is proposed to be matched against the spending plan and dues are raised or lowered as needed.

The majority of homeowners have the moral and legal rights and obligations to participate in the final decisions--each year. The Board is obligated make such active participation efficient and convenient for all.

Bob Frank