

# HOA Newsletter February 2017

## 1. Central Facilities charges for 2017

**The HOA Board wish to make it clear that we have NOT approved increased CF charges.**

When two of your Boardmembers travelled to QdP to conduct the Audit of CF costs, on 30/01/17 (there will be a full report on this successful Audit at our AGM on 01/04/17), we were also asked to approve increased CF charges.

Carvoeiro Clube made a case to us for increased CF charges, along similar lines to their covering letter dated 14 February 2017.

We very much appreciate the Shareholders' increased investments, primarily in the actual Central Facilities (and in the bars and restaurants, which also contribute to Guests' overall satisfaction).

However, if increases in CF charges are to be justified in recognition of these investments, **that does not fall within the Board's delegated authority to agree**, which is based on the premise:

- In years when QDP has been loss making, QDP may propose increases (above inflation) in CF payments.
- In years when QDP has been profitable, HOA may propose decreases (less than inflation) in CF payments.

Also, as you may recall, when CF charges were last increased, at our 2014 AGM we Minuted:

- *Under the new scheme, Owners total contributions are set to rise from € 72K to € 89K, including VAT (about a 20% increase, although individual increases vary between 4% and almost 40%). The additional revenue is much appreciated by QDP. The remaining costs are covered by QDP/ the shareholders.*
- *This was significantly more advantageous to Owners renting independently, than to Owners with contracts.*
- *Discussion around the ambitions of QDP to "target" the Owners contribution:*

*8.1 In order to "make good" any unbudgeted extra costs and contingencies for QDP.*

*All present were against this.*

*8.2 To compensate QDP for non CF payers.*

*All present were against this.*

*8.3 Starting with a threshold percentage of 60% for all contributing House Owners*

*All present were against this.*

*8.4 Estimating to rise to a maximum Owners contribution of 75 % of all CF costs in 2016.*

*All present were against this.*

The Board already informed CC /QdP that we thought the proposed increases were provocative:

- in a year when most Owners who rent out their villas are already faced with an increase in WiFi costs, from € 98,40 to € 276 per annum (both figures including VAT) – and when this enforced change will also save CC /QdP in 2017 the considerable time and cost that they have previously incurred in supporting the old WiFi solution;
- and by only being proposed in late January, after contracts have been signed, rather than being tabled within the timeframe of the annual contract negotiations (September, October).

**However CC /QdP did not negotiate with us, but announced the proposed increases unilaterally.**

As some Members have already commented (to our Secretary), the budget for CF running costs in 2017 is actually lower than the budget was in 2016.

- This is notwithstanding some € 25.000 of additional one-off costs incurred in 2016 (completion of childrens' playground; solar heating of one central pool; redecoration of mushrooms and fire hydrants), which we very much appreciate.

**We have added an item to the AGM Agenda, where the proposed increases can be discussed.**

## **2. Owners Statements 2016**

**The HOA Board has expressed continued dissatisfaction with the online Statements.**

At a meeting with CC /QdP Management on 20/09/16 we Minuted:

- *Various teething problems have already been explained and resolved. [...] Ongoing concerns relate to the specific rows where 'unexpected' costs arise, and in particular if more than one invoice has been raised in any given month, as only a total figure appears in the box for that month.*
- *CC will consider this issue further. As a minimum, CC will provide a breakdown in such cases.*

**CC never came back to us on this action, but has subsequently informed us there will now be a further migration for the entire CC Group to a completely new accounting system in early 2017.**

We have no further information on this. The Board continues to believe that, to be satisfactory, the replacement system should provide Owners with sufficient information, on every entry directly, such that laborious recourse to additional information is NOT routinely required.

**Some Members have reported missing and incorrect entries in their Owners Statements 2016.**

The Board therefore advises all Members to double-check theirs, and to raise any queries with QdP.

**The Owners Statements are also an item on our AGM Agenda, for a general discussion.**

Alan Jenkins, HOA Chairman