

Approved Minutes

Finance Committee Meeting Tuesday, January 12, 2021

9:30 AM Electronic Zoom Format

Distributions: Previous Minutes, Financial Reports, Agenda, Statement of Insurance coverage
Any ECIA member wishing a copy of distributions please contact financechair1@gmail.com

Attendees: Dan Drobnis, Kathy Ritschel, Amelia Adair Absent/Excused; Board: Treasurer Sal Monaco, Director David Sorkin, President Nancy Sulzbach; HOAMCO: Portfolio Manager/Bookkeeper Kristen Kipp, General Manager Julie Navarro, Operations Manager Mike Rogers; Association Members: Jerry Arrant, Mikah Gordon, Mike Schneider

1. 1. Public Comment: Mikah Gordon reminded the Committee that, particularly for 2022, consideration should be given to not raising assessments.
2. 2. Adoption/Modification of Agenda—Rev A adopted as distributed. Kathy pointed out that the date of the next meeting was incorrect.

3. 3. Approval of Minutes

Dec 8, 2020 Regular Meeting—Rev A approved as distributed

4. 4. General Manager's Report

- Pool Stucco Status--completed
- Inspection of near-term Replacement/Repair items—a chain-link fence has been erected to enclose the Basketball Court to prevent damage by skateboarders.
- Transfer of ECIA property near stables to EAWSD—awaiting County construction permit for EAWSD building.
- Collection actions on late assessments—continuing. GM Julie to confirm collectible status on overdue accounts, letters out to large long-term accounts regarding lawsuits getting results. Judge has affirmed that lawsuits valid for only six years.
- Office Procedures comments—Nancy stated that Board will consider and perform follow-up Review in 2021.
- Security Camera Installations—Cameras scheduled for installation in Jan. 2021 for Stables and Compadres Park. Others at Community Center complete.
- Review of CC Parking Lot remaining lifetime from F&G Committee—Paving contractor recommendations through Facilities/Grounds Committee now in Replacement Reserve schedule: Sealcoat 2023, 2-inch asphalt resurface 2026.

5. 5. Board Liaison's Report

- 2021 Budget approval—completed on schedule.
- Invoices out to ECIA members before Christmas.

6. 6. Insurance Coverage Review

- Questions compiled regarding present coverage, Nancy forwarding through GM to present insurance agent (below); answers will be used by Task Group for RFP. Committee notes that ECIA has only \$5M Umbrella, compared to \$10M HOAMCO recommendation for an HOA with a swimming pool.

7. 7. Financial Reports—15 minutes TOTAL for Committee questions prior to meeting

- Bookkeeper Kristen was not able to obtain Bank interest statements before meeting, preliminary Dec. 2020 report was reviewed.
- Approx. \$193K additional transfer available from Operating to Reserve accounts.

- Some transfers of cash and CDs were proposed to align with early 2021 cash requirements.
 - Final 2020 Financials were distributed 3 PM.
 - **E-mail recommendation from FC for Board to accept final FY 2020 report for transmission to auditor.**
8. **8. Asset Panda setup**—Mike Rogers reports that the database has been set up, requires entry of item numbers from Association Reserves 2020 report.
9. **9. Other Business**—Dan will write article for March *Vistas* regarding decision elements for 2022 budget.

10. **10. Next Meetings**

Feb 9, 2020

Annual Audit Review—as needed by Audit and Annual Report schedule

11. **11. Adjourn—11:37 AM**

MOTION: The Finance Committee has reviewed the final 2020 ECIA Financial Statement, dated Dec. 31, 2020 and transmitted 1/12/21, and recommends that the Board approve it for use in the 2020 independent audit by accountants Porch and Associates, with terms similar to the Letter of Engagement used for the 2019 audit.

Vote by E-mail

Adair: Approved Absence (Abstain)

Drobnis: Aye

Ritschel: Aye

QUESTIONS on present insurance:

Accidental Death and Disability

- Who does this cover?

Automobile

- Please update users and vehicles as needed

Employee Theft

- ECIA has no employees so why is this needed? What else might it cover?

D & O

- Our understanding is that this covers all official volunteers serving on committees/task groups, etc.

Equipment Floater

- What does this refer to? Computers?

Employee Related Practices Liability

- Does this refer to HOAMCO employees? If not, then to whom does it refer?

General Liability

- Is our coverage enough?
- What does "damage to rented premises" refer to?

Commercial Property

- Level of coverage seems appropriate.
- How much could we save on premium costs if we raise the deductible [on all items]?
- What is a reasonable replacement cost for ECIA buildings?

Umbrella Commercial

- What does this mean?
- Is \$10 million for pool enough? Swim lessons? Jump Board?

Workers' Compensation

- Confirm that this covers volunteers and who else?