

APPROVED

Minutes Jan. 14, 2020 Finance Committee Meeting

Call to Order: 9:30 AM Conference Room

Attendance: Present :members Dan Drobnis, Bette Huston, Nolan Zisman; **Board Liaison** Sal Monaco, **GM** Julie Navarro, **HOAMCO Accountant** Kristen Kipp. **Absent:** member Marti Zieg.

1. **Public Comment - None**
2. **Elections - Chair-Dan Drobnis; Co-Secretaries- Bette Huston and Nolan Zisman**
3. **Adoption of Agenda - draft agenda adopted.**
4. **Approval of Dec. 10, 2019 Meeting Minutes - approved as drafted.**
5. **General Manager's Report**
 - Estimated R&R Transfer at year-end -- in addition to the \$150K that has already been transferred, Fin. Committee recommends transfer of an additional \$367,810.
 - Discussion of HOAMCO invoice mailing content and lack of Address Correction Request (ACR) on HOAMCO 3rd party mailed envelopes - HOAMCO instructed to use only vendors that agree to include ACR on the envelopes.
 - Year-end Audit - draft letter of engagement prepared. Letter will raise question of ECIA tax status raised from article in HOA Leader.
 - Annual Report Preparation Schedule - Committee reports due Feb 14. Julie looking for contractor to do layout and editing.
 - Contract Status for Pool Phase 2 - Work already started in Mechanical Room (new concrete floor poured, walls and ceiling patched and painted, old equipment moved out). This project targeted for completion by April 15. Expect shade structure work to begin mid-February with April 15 target completion. Casa de Suenos final cost details due end of week. Hope to complete family changing room by early to mid-May.
 - Other - Julie in training for professional property management certification.
6. **Board Liaison's Report**
 - Board Organization - - With the resignation of George Rutter, there are currently five active Board members.
 - Finance Committee Liaison - Sal Monaco, Board Treasurer, will be the primary liaison with David Sorkin as the alternate.
 - Board Action on Finance Committee's Recommended Motions - three of the motions were approved. Two others still require approval. They are Budget Preparation Calendar and Financial Metrics (two KPI's and five other financial measures).
7. **Financial Reports**
 - Review Dec Report and Bank Statement -
 - Several past months' balance sheets have shown \$100 petty cash even though this was discontinued some time ago. Kristen suggested writing it off as bad debt. Fin. Committee so instructed. This will also need to be taken off the 2019 year-end trial balance.
 - The ledger item for "5801 -Architectural Plans" will be reported under Pool Operations instead of General and Administrative.
 - Recommendation for 2019 Transfer to R&R Reserve - See Motion 1 below.
 - Recommendation for 2019 Trial Balance- See Motion 2 below.
 - Review of AR and Collections - Prototype time series report of delinquencies reviewed and approved for inclusion in future monthly Financial Reports.

- Key Performance Indicators and Other Financial Metrics - Somehow these were not on the agenda for the Board's December meeting. Sal will present them at the Jan. 20 meeting.
- HOAMCO Recommended Basis for Bad Debt Write-offs - Kristen will provide a brief write up that can be used as a procedure or guideline going forward.
- 8. **Review of RFP for ECIA Insurance-** Finance Committee agreed on content of draft RFP. Julie will determine if it should be transferred to a HOAMCO RFP template. Otherwise she will fill in the missing information and send it out. HOAMCO has a couple of candidate recipients. Nolan will furnish Julie with his list. Once an agent has been selected, discussions will be held to determine the appropriate amount of liability levels based on their impact on premiums.
- 9. **Repair/Replacement Reserve**
 - Future Spreadsheet Maintenance - Dan will maintain the "official" R&R. Nolan and other requesting committee chairs will be provided with working copies for whatever needs they may have. Nolan will schedule some time with Julie to see if pool and water related 2019 expenses cannot be "re-swizzled" so that total reserve expenses match those reported in the 2019 budget.
 - Discuss Assoc. Reserves Report - Once Kristen is finished with the 2019 data, a meeting will be scheduled to determine how the R&R can be re-defined, using AR numbers, to better group and align with the AR database.
- Revised Collection Policy** - due to meeting going so long, this will be reviewed at the next Finance Committee meeting.
- 10. **Other Business** - will need to call a special meeting to review Auditor report and finalize revised collection policy.

Next Meetings - Feb. 11 Regular Meeting (9:30 AM); Special Meeting to be scheduled once we have target completion from Auditor.

Adjourned at 12:25 PM.

MOTION 1 : Finance Committee recommends Board approval of transfer of \$367,810.41 from Operating funds to Reserves.

MOTION 2: Finance Committee recommends accepting corrected trial balance and forwarding same to Auditor.