

Minutes Finance Committee Meeting Monday, January 15, 2018
9:30 AM Conference Room

Distributions: Previous Minutes, Financial Report, Agenda

Attendance: Members Todd Handy, Sal Monaco (Chair), Fred Miller, Dan Drobnis; General Manager Isabel Ugarte (Intermittent, left early); Treasurer Joseph Guitierrez; HOAMCO Bookkeeper/Comptroller Emily Spies (Financials, by phone). Absent Members: Sandy MacGregor, Marti Zieg, David Sorkin.

1. **Public Comment--None**
1. **Additions to/Adoption of Agenda—Items as noted**
1. **Approval of Minutes**

December 13, 2017—Approved as distributed

4. General Manager's Report

Update on RFP for Pool Study—Sent to five bidders, two responses received. One did not understand that the RFP was for an Engineering Study—some confusion with GM also. Further work to develop a qualified vendor needed. Concern that no determination of cost-effective repairs prior to pool opening, and possibly no plan prior to end of pool season after three years.

Status of new hire—Communications Coordinator on board; problems finding a 3rd maintenance person who can pass drug and background checks; Asst. GM offer made, but recipient did not accept—interviews continuing.

Reconciliation of 2017 bank statements—Reports distributed after meeting. Emily and Isabel will distribute with Financials prior to FC Meeting in future.

Update on Annual Meeting—Scheduled for Eldorado Church space in La Tienda for 7 PM May 7, 2018.

Discussion with GM on the desirability of review prior to release of financial information, such as Budget Letter sent with assessment invoices, for accuracy, completeness, and compliance with law.

Discussion with both Isabel and Emily on importance of RETURN ADDRESS CORRECTION REQUESTED label on all ECIA mailings, and how HOAMCO can assure this in the future.

5. Board Liaison Report

Update on Audit—Emily on schedule to deliver revised Trial Balance to auditor on 1/16.

The Treasurer will meet with Emily on 1/16 to review Trial Balance and begin implementing 3-year CDAR ladder.

R&R Report for Audit—Still need list and costs/estimates of 2017 items completed, changed, and postponed for audit and 2018 planning.

There is one application for appointment from a former Board member to fill a vacant Board term through May 2018.

There is currently no unusual legal or litigation activity.

There was an active discussion among the FC members and Treasurer regarding the challenges that HOAMCO faces in scheduling and managing a large increase in the number and budgeted amounts for 2018 Replacement Reserve and Operations projects. Total operating and reserve expenditures in 2017 totaled \$978,338. In 2018 operating expenses are expected to be \$1,216,528 and Replacement Reserve Projects \$302,462 for a total of \$1,518,998 - an increase of over 55%.

6. Financial Reports

December 2017 Report-- Proposed reserve transfer: Confusion regarding amount to transfer to Replacement Reserve and Capital Reserve resolved; will be corrected for auditor Trial Balance. Amount charged to Operating Contingency for Quark software will be corrected for Trial Balance.

Seasonalized monthly Budget with categories as revised by Treasurer Guiterrez should be available for Feb. 12 Finance Committee meeting to provide a meaningful Variance Report component.

A check on the Prepaid Assessment category with Emily showed a dramatic drop in January to about \$1K, which was reassuring; however it is not clear why there should be any prepaid amount not eliminated by the 2018 invoices.

Doubtful Accounts—It appears that about \$26K is the right amount to write off for 2017. At the end of 2017, there were 203 unique names on overdue accounts—about twice the historical number.

1. Next Meetings

February 12, 2018 at 9:30 AM

February 26, 2018 at 9:30 AM (Special Audit Review Meeting)

1. Adjourn