

Finance Committee Meeting Minutes

10/14/2010

Call to Order/Attendance: The meeting was called to order by Chair, Dan Drobnis, at 9:30AM. Those also in attendance included members Gisela Knight, Bob Gaines, Pat Bell and Nolan Zisman; GM Bill Donohue, Board President Tom Wilmott and Board Liaison Todd Handy. Residents Dina Deena Joseph and Greta Gretel Underwood were present for the Public Forum. Resident John Calzada attended as an observer. The proposed agenda was adopted without change. The minutes of the Sept. 8 meeting were approved as submitted, with a correction to the "next meeting" date (from Oct 12 to Oct 13).

Public Forum: Ms' Joseph and Underwood, representing the Stables Committee, requested funds budgeted for stable road surface repair be used instead for scraping the top surfaces of the arena floors. Bill explained there was money in the operating budget to cover both and it shouldn't matter to them how it is actually proportionally spent. They were satisfied with this explanation.

GM Report: 1) Bill reported we received only one response to the Stables water system RFP. He feels the bid price is representative of what we will need to spend and will budget based on that bud. He plans to request at least one more bid. 2) We are still lagging significantly on collecting assessments. We discussed the idea of collecting assessment payments via credit card, using an on-line collection service that would not charge the ECIA a fee. It was moved, seconded, and passed by a 4-0-0 vote to recommend this to the Board as a way to make assessment payment more convenient and to incent those behind in their payments to spread them over a longer time period. 3) Staff is working to determine the cost of the process of pursuing delinquencies vs. the benefits of additional collections. It has already been determined that late fees should be tacked onto next year's invoice rather than pursue them beyond a reminder notice. 4) about 100 lot owners have been identified as being in arrears on payment of assessments one to five years. The next step will be to verify the contact information on these persons in our data base. Once that is accomplished, appropriate "next step" legal actions will be pursued.

Board Liaison Report: Tom commented on the fact that the Board's retreat was a good way for the Board to learn about the actions of the various committees. Dan responded by indicating his frustration that these same activities do not get reported to the home owners/residents in Vistas. He will take back to the Information Committee some ideas we discussed on how to make that happen. Tom was asked if the Board had yet decided on the future of the rental house as a rental income property. This has not yet been decided. For the time being we will continue to assume the expenses and RR requirements in our 2011 budget planning. Todd reported that he found a written guideline statement allowing us to carry bank balances in individual accounts "to the limits of FDIC coverage".

Review of Financials: Some variances were explained to the satisfaction of the FC; it is expected the year will end with a positive income; funds available for transfer to the Capital Reserve may meet budget projections. On-line access to our bank accounts has been established.

Review of Office Procedures: Dan reported that a review of procedures by Pat and himself yielded the following conclusions: 1) we need to acquire fireproof file cabinets for our paper records; 2) we need to formalize and adhere to computer backup procedures; 3) we need to document our procedures for writing checks; 4) we need to clarify and document procedures and expectations for backing up financial record-keeping and problem solving when key personnel are on vacation; 5) we should use a laser printer to print checks; 6) we should digitize essential documents and store originals off-site.

New Replacement Reserve Schedule: Nolan reviewed the latest version of this document that he, Pat and Bill had prepared/reviewed. Unfortunately Bill handed out copies of a prior draft but the version supporting the recap statement that Nolan reviewed will become the basis for managing our RR requirements going forward. At a future time, Bill will revise the schedule to have separate line items for “scraping” the stable arena floors vs replacing the underlying base course. Bill is also considering adding a couple of additional line items if existing line items do not properly cover those assets. Dan will analyze the new requirements data to determine the impact on the existing balance sheet Replacement Reserve and implications for future years' assessment requirements.

2011 Budget: The following changes to the Oct 8 draft were agreed to:

- Delete the words “Allowance For” on the first Assessment line; it will now read “Prior Years' Assessments Collected”
- Change the remark for Bookkeeping Services to “Contract Bookkeeper”
- Add a remark for General Operations: Maintenance: “2 full-time; 2 part-time (16 week employees)”
- Replacement Reserve Transfer- - based on the new RR schedule the transfer should be increased to \$74,138. Total Reserves and Contingencies will remain the same by reducing 2011 Capital Reserve Fund Transfer to zero and reducing Contingency Fund from \$20,000 to \$15,000.

By a vote of 4-0-0 the FC approved recommending the revised budget to the Board.

Draft Charter Revision: Dan will present the proposed revised charter to the Board.

Next Meeting: The November meeting is scheduled for Wednesday, Nov. 10 at 9:30 AM.

Dan also reminded the FC of the Joint Budget Workshop to be held Monday, 10/25 at 7PM.

The meeting was adjourned at 12:30 PM.

Submitted by Nolan Zisman