

Minutes RevB

Finance Committee Meeting Tuesday October 15, 2019

9:30 AM Conference Room

Distributions: Previous Minutes, Financial Report, Agenda, 2020 Draft Budget

Referenced: Replacement Reserve and Financial Model

Attendees: Bette Huston, Sal Monaco (Chair), Nolan Zisman, Dan Drobnis; **HOAMCO:** Mike Rogers (Operations Manager), Julie Navarro (General Manager), Kristen Kipp (Portfolio Accountant); **Board:** David Sorkin (Liaison), Todd Handy (Acting Treasurer/Liaison), Bernardo Monserrat (Secretary); **Guests:** Marti Zieg (former Committee member), Gretel Underwood (Stable Committee), Melicent D'Amore, Amelia Adair (Stable Committee Chair).

1. **Public Comment**—Marti and Mel commented that this was their third Finance Committee meeting.
1. **Additions to/Adoption of Agenda**—The agenda was adopted as distributed.

1. Approval of Minutes

September 12, 2019—approved as distributed. October 8, 2019—approved with change of reference to Repair and Replacement Reserve (R&R) spreadsheet to clarify availability – will be re-submitted as RevC.

4. General Manager's Report

- Status of R&R 2019 Projects and any Cost Changes since last meeting—Amount for Phase 2 Family Changing Room reduced from \$150K to \$50K with plan for addition.
- Mechanical and Electrical equipment replacement now in R&R spreadsheet.
- Hike/Bike apron paving now complete and in 2019 budget projection.
- About \$11K is needed for Stable road repairs following water system replacement; **MOTION 1.** FC recommends accounting for this on R&R for 2019 since it will need to be done as part of any future Stable water system replacement.
- A backhoe tractor attachment has been added to the list of 2020 Capital equipment to allow for better maintenance of Stable arenas. Other items were juggled to do this without changing the previous total.
- There was discussion of the importance of a dedicated part-time employee or contractor to move information from and add information to any new web site design. **MOTION 2.**
- 2020 Budget, R&R spreadsheet, and Financial Model will be updated to reflect recommended changes this week (by 10-18). Based upon examination and confirmation of the expected changes, the Finance Committee will vote by e-mail to recommend the 2020 Budget to the Board.

5. **Final Recommended Budget and Budget Message**--Recommendation for 2020-21 was extensively discussed. Several alternatives were examined. Based upon the Operating, Capital, and R&R projections presented, the FC recommends a \$550 2020-21 assessment **MOTION 3.** The committee also stated it will review the projected forecasts for R&R in 2020 with the possibility of recommending an assessment reduction for 2021. It presently appears that this will achieve two long-term goals: (1) providing a rapid return to a 5-year Replacement Reserve; and (2) holding assessment increases to the approximate inflation rate of 5% every two years.

6. **Board Liaison's Report**--none
7. **Collections Policy Review and Discussion**—Both Assessment Collections Policy and Stable Collections Policy needs review to assure that they still specify what we want, and reasonable due dates and guidelines for consistent enforcement.
8. **Financial Reports**
 - September 2019 Report and Bank Statements were reviewed. The cash position for the Reserve account needs careful monitoring. The cash position for Operations appears comfortable.
 - Liens have been issued for three accounts that have defaulted on payment plans.
1. **Other Business**
 - Office Procedures Review—Need to arrange a discussion of topics with as many Board members as practical, as soon as convenient. David S. to convey this to Board. Julie requests that Review be conducted after 11/15.
 - Association Reserves Review—DJ will be on-site for independent consultation on R&R items beginning noon 10/16.
 - Stables Committee members presented concerns regarding requiring barn owners to pay for the replacement water meters for each barn so soon (8 years) after installation, and evidence of poor design and installation. They were advised that this decision originated with the Board, and that their concerns could be addressed by the Board. A discussion at the September Finance Committee meeting represented information coming *from* the Board, not advice from the FC *to* the Board.
 - Guests Marti Zieg and Mel D'Amore have attended three Finance Committee meetings, and requested to join. Marti is a former FC member, and Mel served her previous community as a local elected official, and has also applied for appointment to the Board. **Motion 4** to recommend the Board appoint them to the Finance Committee.
1. **Next Meetings**
 - Saturday, November 2, 10 AM, Informal Finance Committee Budget Workshop for FC new members and interested prospective members; Board members and interested prospective members; and any interested Association members.
 - Tuesday, November 12, 9:30 AM, next Finance Committee Regular Meeting.
 - Monday, November 18, 5 PM, possible Joint Meeting of FC and ECIA Board (if set by Board).
 - Saturday, Dec 14, 10 AM, possible Budget Forum for residents (if set by Board).
1. **Adjourn**—12:40 PM

MOTION 1: The Finance Committee recommends that the funds to repair the Stable roads damaged by the water system replacement come from the Repair and Replacement Reserve, and that this item be added as part of any future water system major repair or replacement. (4-0-0)

MOTION 2: The FC recommends that \$12.6K be added to the 2020 budget to fund information movement to the new web site already budgeted for 2020, as requested by the Information Committee. (4-0-0)

MOTION 3: The FC recommends an annual Assessment of \$550 per lot for 2020-21. (4-0-0)

MOTION 4: The FC requests that the Board appoint Marti Zieg and Mel D'Amore (if the Board does not appoint Ms. D'Amore to the Board) to the Finance Committee. (4-0-0)