

**Minutes Meeting Monday November 13, 2017  
9:30 AM Conference Room**

**Attendees:** Committee Members Marti Zieg, Sandy MacGregor, Sal Monaco (Chair), Dan Drobnis; Isabel Ugarte (General Manager, in and out), Joseph Gutierrez (Board Treasurer); Association Members David Sorkin, Todd Handy, Fred Miller

1. **Public Comment--None**
1. **Additions to/Adoption of Agenda--None**
  
1. **Approval of Minutes—Approved unanimously**

October 16, 2017

**4. General Manager's Report**

Alliance Bank Statement—The GM reported that she does not receive a monthly statement from Alliance Bank, through which the majority of ECIA funds flow.

**Motion: The FC recommends that the Board request a monthly statement through HOAMCO from Alliance Bank documenting all activity for the month. (4-0-0)**

The GM confirmed that a 3<sup>rd</sup> party has taken over processing the HOAMCO/ECIA payroll. It is not clear how or whether the ECIA is indemnified or held harmless for mistakes or malfeasance by this or any other HOAMCO subcontractor. **Motion: The FC recommends that the Board require details through HOAMCO of indemnification for the ECIA for any and all 3rd parties or subcontractors with authorization to write checks against ECIA accounts, particularly including HOAMCO's present payroll processing subcontractor. (4-0-0)**

Pool Master Plan –specification for pool engineering study is ready to be released for bid. The goal is to determine if the present pool can be maintained, what modifications might be required to bring it up to current code, and whether a new pool would be a better long-term alternative. The GM is trying to get a determination whether our pool would be classified as Commercial; such a classification could add significant compliance costs.

2018 DRAFT Budget discussion—minor modifications. Based on the recent workshop, Board appears to be comfortable with the 2018-2019 assessment as described in the draft budget. This can be used to build a reserve for possible large pool or stable pollution expenses. Discussion of how Operating Contingency is to be viewed. No motion to recommend.

Upon discussion with the GM, it is not clear that the 2016 Audit letter regarding compliance with New Mexico Unclaimed Property Act has yet been correctly addressed. An examination of the Financial Report appears to indicate that unclaimed property and/or construction deposits are being improperly accounted for as Prepaid Accounts (Assessments).

**5. Board Liaison Report**

Legal activity—continues to overrun 2017 budget. 2018 budget has been increased accordingly.

Committee Charter status—no discussion. Vistas article indicated it was adopted by Board.

## 6. Financial Reports

October 2017 Report. Several comments, including:

1. The Reserve Study on Page 1 does not incorporate the 2017 independent update by Association Reserves. The updated picture is not as good as that shown.
2. We are accumulating sufficient Reserves on Page 2 to allow implementation of a three-year CD ladder in early January, as previously discussed. The Treasurer, GM, and Comptroller (Emily) should begin planning. Treasurer Gutierrez stated that the ladder should be initiated by the end of January 2018.
3. Prepaid Owner Assessments on Page 3 are implausibly high and growing. This was flagged in October; it appears that unclaimed property is being included.
4. The Construction Deposit payable on Page 3 is not evenly divisible by \$950. Is something else creeping in here?
5. The Capital fund on Page 4 has not been charged for capital expenses. It also appears the Reserve fund has not been charged for reserve expenses.
2. Pool lessons on Page 5 show a negative charge--all negative numbers in the actual column suggest a correction and should routinely have an explanation. There appears to be no place on the Financial Report for Notes. GM Ugarte will follow up.
7. Operating Contingency (line 8250) shows a charge on Page 9. Contingency should not be charged directly. An examination of the charges for the month indicate four items that may have been incorrectly coded to line 8250. GM Ugarte will follow up.
1. **Report on R&R Update.** Corrections are needed to increase the anticipated cost of a newer truck in 2018, split the replacement of the Patio irrigation system that was damaged by improper winter drainage from the existing overall patio replacement item, and correctly adjust for 2017 items carried into future years. Chairman Monaco will make the corrections and distribute.
1. **New Member Motion: The FC recommends that the Board appoint David Sorkin to the Finance Committee** (4-0-0). Mr. Sorkin was requested to provide a brief biography for the Board.

### 1. Next Meetings

**Monday, December 13, 2017**