

Minutes Rev. A

Finance Committee Meeting Tuesday December 11, 2018

9:30 AM Conference Room

Attendees: Committee Members Todd Handy, Sal Monaco (Chair), Nolan Zisman, Fred Miller, David Sorkin, Dan Drobnis; Board Member David McDonald (Alternate Liaison/President); Community Member Barry Silver; HOAMCO Staff Julie Navarro (General Manager), Emily Spies (Bookkeeper/NM Director of Accounting).

Distributions: Previous Minutes, Financial Report and Notes, Draft Budget Motion, Draft Agenda, Accounts Receivable Report.

Public Comment. Barry Silver complemented GM Julie on a well-presented budget draft. **Additions to/Adoption of Agenda**—added item for Accounts Receivable.

Approval of Minutes

November 14, 2018—Rev B Approved as distributed.

November 20, 2018—Rev A Approved as distributed.

General Manager's Report

Report on Status of R&R 2018 Projects:

- Work has begun on replacing Dog Park shade structures.
- Electric Stable Gates are expected to be installed 12/27.
- A water leak of about 11 gph in the ECIA distribution lines at the stables is being monitored, but frozen ground makes leak isolation and repair difficult—will be traced and repaired as weather permits. Distribution lines are apparently schedule 40 (irrigation) instead of heavier thickness distribution quality. Two individual barns have inoperable meters, and others need replacement or upgrade to permit reliable readings.
- The functions of Project Manager and Maintenance Supervisor have been combined in Mike Bullock. The three (when fully staffed) maintenance staff people will report to Mike. GM and PM are now receiving an allowance of \$80 per month each for use of their personal cell phones for business and after-hours availability.

Pool Update:

- a) The interior of the bathhouse has been gutted, revealing some mold (treatable with chlorine?) and roof leak. 2019 Replacement Reserve (R&R) has budgeted \$50K for new interior. An architectural design will be needed.
- b) Contractor AAA is producing a bid for straightening out EAWSD/ECIA water supply lines to pool and backwash/septic system. 2019 R&R has budgeted \$75K for Electrical, Mechanical, and Backwash systems repairs/upgrades.
- c) Contractor PoolPro indicates basic pool concrete is sound, water lines under pool are leak-free, and underlying concrete of pool decking is sound. Decking surface needs grinding and replacement, drainage aprons and improvements. 2019 R&R has budgeted \$175K for aprons and decking.
- d) A final Engineering Report is expected from PoolPro by the end of the year.
- e) Mike is expected to produce a complete project plan by early 2019 for carrying out the recommended repairs and upgrades. Work may be phased over two or more years to accommodate full pool operation during summer months.

Board Liaison's Report—a legal issue has arisen regarding the theft of a horse trailer from the Stable area.

FC Motion for Board on DRAFT Budget—The Finance Committee approved the motion recommendations for the Board to use to adopt the 2019 budget (See Motion below). 6-0-0.
Financial Reports

Review of November 2018 Report and Bank Statements—Emily answered questions and provided clarifications. No changes appeared to be necessary.

Accounts Receivable

- a) Emily clarified that the usual HOAMCO practice for recognizing a Doubtful Account was when HOAMCO receives notice that the owner has entered Foreclosure or Bankruptcy. The November Allowance has been updated to reflect this practice.
- b) Just because an account has been declared Doubtful does not end the ECIA's attempt to collect money owed.
- c) Julie was requested to produce a report detailing the number of accounts in various stages of collection, and to move potentially fruitful accounts into collection to take advantage of an introductory collection charge ending in January.
- d) Invoices for 2019 assessments will be prepared, but not posted and mailed until after Jan. 1.

Next Meetings

Budget Open Forum, December 12 at 6:30 PM.

Finance Committee Regular Meeting Tuesday, January 15, 2018 at 9:30 AM.

Adjourn—11:53 AM

Motion: The Finance Committee recommends that the Board adopt the following motions to implement the 2019 ECIA Budget at its regular December 2018 meeting:

1. Adopt the 2019 Budget as presented to the Community on 12/12/18 for total expenses and transfers to reserves of \$1,530,560, balanced by anticipated revenues of \$1,530,560, funded primarily by an annual assessment of \$525 per lot (unchanged from 2018).
2. The above includes adoption of the following detail:
 - a) Anticipated Revenue of \$1,530,560.
 - b) A Recurring Operating Expenditure budget Not To Exceed (NTE) \$1,252,376.
 - c) A Non-Recurring Operating Project for a third-party opinion on all Replacement Reserve items NTE \$4,000.
 - d) A Non-Recurring Operating Project, in cooperation with Santa Fe County, for pavement of Hike/Bike driveway and road aprons NTE \$30,000.
 - e) A transfer to the Capital Reserve of \$68,000.
 - f) A transfer to the Replacement Reserve Fund of \$176,184 to include funds for anticipated major pool repairs or replacement.
 - g) Adopt a Replacement Reserve 2019 expenditure budget NTE \$358,758 in accordance with detail submitted to the Finance Committee on 12/11/18.
 - h) Adopt a Capital Reserve Expenditure Budget NTE \$68,000, for a total Operating & Reserve Transfer Budget of \$1,530,560.
3. Instruct the Association's bookkeeper to transfer an amount from the Operating Budget to the Capital Reserve Fund at the end of 2018 sufficient to bring the Capital Reserve Fund to a 2018 year-end balance of \$68,000.
4. Instruct the Association's bookkeeper to use the amount transferred at the end of 2018 from the Operating Budget to the Replacement Reserve to adjust any remaining 2018 Operating Budget surplus or deficit to \$0.