

Finance Committee Minutes Regular Meeting 2/11/2020

Rev C dtd 2/22/2020

1. **Call to Order - 9:33 AM ; Attendance: Committee Members Dan Drobnis (Chair), Marti Zieg and Nolan Zisman (acting secretary); HOAMCO personnel Julie Navarro (GM), Mike Rogers (OM), Kristen Kipp (Portfolio Acct.); Board members David Sorkin and Mel D'Amore; Stable Committee members Amelia Adair and Mike Ault; Auditor Thad Porch. Quorum in attendance.**
2. **Public Comment - None**
3. **Adoption/Modification of Agenda - Adopted as drafted.**
4. **Approval of Minutes of January 14, 2020.** Approved as drafted.
5. **Independent Audit Review** - Thad Porch reviewed his report findings. 1st time since he's been involved ECIA has received "unqualified opinion" (no issues). A/R status reflects improved management of that process. F/C voted 3-0-0 to accept the report. F/C also voted 3-0-0 in favor of recommending transfer of \$17,489 of reserve funds back to operating fund. Thad also declined to agree that appropriate definition of "fully funded reserve" was funds sufficient to cover anticipated replacement costs for the next five years, instead advising that the Association use the more stringent estimate offered by Association Reserves.
MOTION 1: F/C recommends Board approve the audit report.
MOTION 2: F/C recommends the approval of adjustments to reserve funds including transfer of \$17,489 of reserve funds to the operating fund.
6. **General Manager's Report**
 - Production of Annual Report - Committee reports due Feb 14. Several already submitted. Dan to cc. Committee members upon sending F/C report.
 - Pool Phase 2 progress - Mechanical room equipment should be on site early March; 1st half April target date for installation still expected. OM to develop expected life and cost of 3-phase converter for R&R update. Not yet determined how Phase I remediation items will be addressed as Casa de Suenos has withdrawn from the project. Mike to look into acquiring and having outside lockers and shower installed and pool walls restuccoed. F/C voted 3-0-0 to recommend postponement of the changing room project until 2021.
 - Changing Room Deferral:
MOTION 3: F/C recommends postponement of the Family Changing Room construction until 2021.
 - Stable Water Leaks - EAWSD looking to determine if meter or software is faulty and there are really no new leaks. If not, barn hydrants will be rechecked to see if there may still be leaks there. Number of leaked gallons going back to the mid-October completion of the installation of the new water system still to be estimated.
 - CAI and other training - Julie expects to complete her training in about 4 months. OM to take facilities management training. New project mgt. software to be acquired with Office 365 - - in progress.
7. **Board Liaison's Report**
 - Insurance RFP - Board members will be meeting with the new agent from Daniels Insurance next week. Request to discuss the option of paying the premium annually vs monthly. They will also seek clarity on the coverage implications of having "higher risk" amenities like a jump board or "log rolling".
 - Treasurer advises if F/C recommends combining the two phases of the Parking Lot Lighting project, funding can be made available.

- Sal also conveyed concern about special reports being requested, taking up staff time. Kristen indicated an Excel copy of the financials could be made available and reports extracted by recipients. This was deemed acceptable and preferable. Kristen will send copy to Julie who will forward to Dan, Nolan (as chair of F&G) and Amelia (as chair of Stable Committee).
- Authorizing Treasurer to Have More Control Over Investment and Account Decisions - -
MOTION 4: F/C recommends the Treasurer be allowed to make changes to investments, as needed, to ensure cash requirements are met.
- 8. **Financial Reports -**
 - January reports reviewed and questions answered.
 - HOAMCO recommended basis for Bad Debt write-offs - F/C thought these were appropriate.
Dan will draft a motion for the Board to accept the content of this process as new ECIA policy. Such a document will be attached to the motion.
- 9. **Request for Added Parking Lot Lighting Funding - -** F/C agreed with F&G request to recommend sufficient funding to complete both phases of this project in 2020.
MOTION 5: F/C recommends increasing funding for the Parking Lot Lighting Improvement Project from \$7,200 to \$17,434 so that both phases can be performed at the same time, improving the safety of people in the parking lots at night.
- 10. **Review of RFP for ECIA Insurance - -** as the current policy term date is April 2021, the RFP will be deferred until closer to that date.
- 11. **Repair/Replacement Reserve - -** due to lack of time, discussion deferred to either the next regular meeting or to a working session to discuss ideas for improving this tool.
- 12. **Revised Collection Policy - -** due to draft revision not getting distributed with the agenda, and due to some procedural narrative being questioned, discussion postponed to the March meeting.
- 13. **Liability for ECIA for EAWSD Activities on Easement near Stables - -** some initial discussions have been held with the EAWSD GM, including outright transfer of the property. Julie will keep us advised.
- 14. **Stable Committee (SC) Update - -**
 - SC wishes to replace their information kiosk and reorganize the signage. Due to the estimated costs the kiosk will be treated as a replacement expense and the signs as a maintenance expense.
 - Amelia has some thoughts on the Assoc. Reserve Report findings. Will share at a later date.
 - By having Kristen provide a copy of each month's financial reports via Excel, SC will be able to generate their own monthly Stable Income Statement and track over time.
 - SC has some 2021 projects in mind. They were advised that these should be submitted in the June-July time frame to coincide with the budget preparation cycle.

Adjourn - 12.55 PM.

Next Regular Finance Committee Meeting - March 12, 9:30 AM.