

**Finance Committee Meeting  
Final Minutes of February 16, 2016**

Committee Chair Dan Drobnis called the meeting to order at 9:35 AM

Committee Member Attending: John Calzada

Board Liaison/Treasurer: Todd Handy

Board Alternate Liaison Absent: Greg Colello

GM: Brenda Leonard

Committee Members Absent: Sandy MacGregor, Gale Oppenheim-Pietrazak and Tom Willmott

Board President: Dag Ryen

Board Vice-President: Pam Henline

Auditor: Thad Porch

1. **Public Comment:** None
2. **Adoption of Agenda:** Adopted
3. **Approval of Minutes from the Meeting of January 19, 2016:** Approved
4. **Special Presentation by the Auditor:**

Thad Porch led the group through the legal requirements for those items that should be capitalized and thus placed on the "Book Depreciation Schedule".

Thad recommended that ECIA consider increasing the value of those items that are included on the listing from the current \$1,000 to \$5,000.

Thad led the group through a page-by-page review of the Book Depreciation Schedule, pointing out those items that no longer should be included, and asked for a consensus approval to remove those items so he might continue with the audit. In addition, Thad discussed, what in his opinion, is an inflated allowance for uncollectable assessments. He recommends that ECIA consider an allowance for only bankruptcies & foreclosures. He mentioned issuing a "Management Letter" in the audit that lists this issue as a "material weakness".

Todd said that he would make a motion to the Board that they raise the amount for capitalization to \$5,000 and that the necessary adjustments be made to the Book of Depreciation Schedule. At this point the auditor left the finance meeting.

**5. General Manager's Report:**

Brenda established phone contact with Paul from Merit IT. Dan asked Paul about server backups, desktop backups and Windows 10 upgrades. Paul told the committee that the servers are backed up to a local storage device and then to

the cloud. The cloud has a replica copy of the server. Desktops reside on the local server but they could be redirected to the cloud. Windows 10 upgrades will be done after a test is conducted on one station. The phone call with Paul was concluded.

Brenda told the group that the security camera issues are on hold due to the vendor experiencing personal family issues. Invoices for assessments have all gone out. Brenda told us that a full audit was conducted on the addresses.

Brenda issued a check for the first half of the hike/bike trail maintenance (2015). The second half of the work (2015) will begin in April or when the weather allows. Contract has been signed for the Reserve Study, but the starting date is still sometime off. No changes have been made to the procurement policy and contracts have been established with our two monthly contract vendors.

The rental house asbestos & mold inspections were done and the reports received. Bids are being obtained for demolition as well as rehabilitation. Brenda will bring this information to the F&G Committee. Once all the information is reviewed by F&G, they will submit a recommendation to the Board for rental house disposition.

#### **6. Treasurer/Board Liaison Report:**

Todd told the committee that the dog stations have been purchased. Pam Henline presented a new stable billing plan to the Board. Our insurance carrier has issued a check to the ECIA for reimbursement for the solar litigation. The insurance will now assume any on going costs. Todd said that the First National Account is now at \$15,000. The rest of the funds have been moved to Alliance Bank.

#### **7. Financials:**

The committee reviewed certain aspects of the January financials and determined that there were numerous errors. It was recommended that the Board not accept the January financials and that they be referred back to HOAMCO for correction. A short discussion took place about acquiring the equipment needed to conduct a video/tele-conference. This would enable the finance committee to interact directly with those in HOAMCO that actually prepare the financial reports. It would expedite information gathering with regard to the financial reports.

#### **8. Policy for Overdue Accounts:**

Tabled until the March meeting

**9. Insurance Policies Review:** Todd will arrange a meeting with Steve Crawford in March. Brenda recommended that the insurance review be moved to January on the Annual Calendar. This would provide for a full 90 days before the expiration date of the insurance policy.

**10. Annual Calendar:**

January – Old Business

Procurement Procedure Review

February – Audit Review

Recommended Insurance Adjustments/Rebid

March – Committee Submission for the Annual Report

Meeting with our Insurance Agent

**11. Next Meetings:**

Monday, March 7 (rescheduled from Feb. 29) at 9:30 am Auditor Debriefing with the Finance Committee

Monday, March 14<sup>th</sup> at 9:30 Regular Finance Committee Meeting

**12. Adjourn**

Respectfully Submitted

John Calzada