

MINUTES OF ECIA FINANCE COMMITTEE MEETING

February 8, 2006

The meeting was called to order at 9:35 AM. Present were chair Gisela Knight, members Allen McQuiston, Patricia Bell, and Ed Moreno, Facilities Manager Bill Donohue and Administrative Assistant Debby Padilla. Excused were Jean Stokes and Dee Cooper.

No one appeared for the public forum.

The minutes of January 11, 2006, were approved as submitted. It was suggested that when the Board approves capital expenditures without input from the Finance Committee, it might be advisable to add that fact as a matter of record in the minutes of the Board meeting.

The committee reviewed the January 2006 financial statements. Debby Padilla will reclassify the portion of Website expenditures (line item 6843) spent on website expansion as Project expenditures, as appropriate. Gisela pointed out that under the cash basis of reporting, January General legal fee expenditure (line item 6240) seems extraordinarily high when compared to the budget appropriation. She expects, however, that the audit report, using the accrual method, will show most of this expenditure as having been incurred in 2005. Debby will make sure that the auditor is aware of the need for this adjustment. It will result in a slight decrease in fund balance.

The FC accepted the financial statements as submitted.

The next agenda item, "Reinvestment of maturing CDs and investment of idle funds," was discussed at length. The FC's goal is to maximize return while safeguarding principal and maintaining liquidity as needed. Pat Bell inquired whether the ECIA has an investment policy. Neither staff members nor the chair are aware of a written policy, but under operational practice funds have been invested only in CDs and money market funds. Gisela Knight will inquire from resident Russell Mooney, who several years ago helped to set up the ECIA account with Edward Jones, whether an investment policy was established. With a new general manager expected to be hired soon, policy guidelines will be of help.

After careful consideration, especially of cash flow and cash needs throughout the year, motion was made by Ed Moreno, seconded by Allen McQuiston, to ask staff to take out CDs as follows:

1. From idle operating funds, amounting to \$307,336 (with assessment payments still rolling in) buy two \$97,000 CDs, one with a term of three months, the other nine months.
2. From the Special (Road) Assessment fund, buy one CD amounting to \$97,000 with a term of six months.
3. Renew three \$97,000 CDs maturing on February 24, two of them for six months and the third for nine months.

The motion was approved unanimously. (Note: Four more \$97,000 CDs are maturing on April 28.)

The auditor has been asked to attend the next FC meeting, scheduled for March 8, for purposes of the exit conference.

The meeting was adjourned at 10:30 AM.