

**Minutes Rev B dtd 3/16/19
Finance Committee Meeting Tuesday March 12, 2019
9:30 AM Conference Room**

Distributions: Previous Minutes, Financial Report, Draft Agenda, Pool Contracts (3 vendors)

Attendees: Committee members Nolan Zisman, Sal Monaco (Chair), Dan Drobni, Fred Miller; Board Members David McDonald (President), Todd Handy, Joseph Gutierrez (Treasurer/Board Liaison); HOAMCO staff Julie Navarro (General Manager), Emily Spies (Director of Accounting)

Excused: David Sorkin, Sandy MacGregor

Public Comment--none

Additions to/Adoption of Agenda—adopted as distributed

Approval of Minutes

February 12, 2019—approved as distributed

February 27, 2019—approved as distributed

General Manager's Report

Report on Status of R&R 2019 Projects—formal report being prepared. **Motion 1 (below) to temporarily freeze Capital and R&R expenditures pending pool opening.**

Pool Update

- 3 pool contracts approved prior to FC Review
- Work has started.
- Gravel path is needed to bring equipment to back of pool wall opening.
- Estimate now at \$653K (+\$185K already paid = \$838K total) which may or may not include several Phase I uncontracted items:
 - Permanent back wall gate
 - Raising pool wall to 6 ft.
 - Reinstallation of shade structures
 - Modifications to front gate
 - Fencing to secure the construction site, parking, and materials staging areas
 - Contingency for unexpected Change Orders
- Other uncontracted/uncosted Phase I and Phase II items
 - Family changing room
 - Structural modifications to Mechanical Room
 - Upgrade or replacement of Mechanical/Electrical equipment
 - ECIA Project Manager
- Total Pool Replacement Costs likely to run over \$900K
- A Pool Manager has been hired for April start
- Project Manager Mike Bullock has resigned. HOAMCO is advertising the Project Manager position.
- Russ Winslow of the F&G Committee has been approached to see whether he would serve temporarily as the pool Construction Manager as a contract employee.

Stable Issues (leak detection/repair)

- GM Navarro is proceeding to obtain bids for replacing the whole Stable water distribution system. Estimated cost is still about \$50K.
- Two bids have been received, a third is expected.
- Steve King of EAWSD has offered advice on materials and installation.
- EAWSD may consider some reduction in billing during the leakage period once the distribution system is replaced.
- Water at the Stable is currently on only two hours per day to reduce leakage.

Board Liaison's Report

FC Motions made to Board on 2/27/19

- The Board submitted draft Pool contracts to the Association Attorney as recommended by the FC and required by the Procurement Procedure.
- Pool contracts were returned from the Attorney with substantial modifications, and approved by the Board without FC review.

Status of Investments

- Treasurer Gutierrez advised that he intends to purchase a single one-year CD for \$150K instead of a longer issue for a larger amount, to assure adequate cash for Pool and Stable projects. The FC felt this to be a prudent decision.
- The shorter issue return is offset somewhat by a slightly higher short-term rate obtained by HOAMCO.

The Board has requested the Finance Committee to conduct the annual review of Office Procedures

- This Review was last conducted in 2016 and suspended in 2017 at Board direction.
- Chair Monaco referred briefly to a proposed outline of topics.
- Member Drobis agreed to lead the 2019 Review Team.
- Treasurer Gutierrez will provide the FC a couple of dates in April for the review.

Financial Reports

Review of February 2019 Report and Bank Statements

- Cash is tight and must be monitored carefully because of Pool and Stable Water System Reserve expenses. Ref. Motion 1.
- Lien and other collection costs are being billed to customer accounts as well as appearing on the ECIA Income Statement as both expenses and A/R income.
- Konica Scanner billings for the Community Service Office were being coded incorrectly, and are actually Konica Copier costs for Community Services. The Scanner was replaced and a new lease arranged.

Review of Accounts Receivable (A/R) and Collections

- The few accounts overdue for \$73K from 2015 and earlier will be reviewed by GM Navarro to see that all lots are still owned by the account holders. If not, it may be necessary to consider them for write-off.
- GM Navarro will investigate the amounts in the A/R report column for fees to see that fees are being applied consistently.
- Liens were being released with account settlement payments flowing through the ECIA Office. GM Navarro will correct so payments go through HOAMCO ABQ with notification to HOAMCO ECIA for lien releases, to reduce risk of tampering.

- GM Navarro will see that in the future a reference to Lien Release/Account payment information is attached to the check stub to the County when an account lien is released.
- Bookkeeper Spies will provide an additional A/R column with a note regarding accounts in bankruptcy, foreclosure, bank-owned, or on payment plan. TDSS is optional.

Other Business

Annual Calendar—not considered.

Finance Committee Charter Review—the Board will designate items from the former Committee Responsibilities document to be included in all committee charters.

Next Meeting

Finance Committee Regular Meeting Tuesday, April 9, 2019 at 9:30 AM.

Adjourn—11:47 AM

-----Motions

Motion 1. In order to conserve Cash for unanticipated Pool and Stable Water expenses, the Finance Committee recommends to the Board that all future 2019 non-emergency Replacement and Capital Reserve expenditures be suspended until reopening of the Pool.