

**Minutes Rev. A**  
**Finance Committee Meeting Tuesday August 14, 2018**  
**9:30 AM Conference Room**

**Distributions: Previous Minutes, Financial Report, Agenda, HOAMCO Response to Board**  
**Attendees: Members Sandy MacGregor, Nolan Zisman, Todd Handy, Sal Monaco (Chair),**  
**Marti Zieg, Fred Miller; Board Members Joseph Guterrez (Treasurer), David MacDonald**  
**(President); HOAMCO staff Julie Navarro ( Ass't GM), Isabel Ugarte (GM), Emily Spies**  
**(NM Dir. of Accounting)**  
**Absent, excused: Member David Sorkin**

1. **Public Comment—Isabel announced that she would be leaving HOAMCO and returning to family in South Florida by the end of September.**
1. **Additions to/Adoption of Agenda—Nolan asked for a discussion of 2019 Replacement Reserve scheduled tasks if time permits.**

1. **Approval of Minutes**

July 16, 2018—Rev. C approved as distributed.

4. **General Manager's Report**

Forensic Audit Update—Independent auditor Thad spent two days last week at ECIA. Report expected by 8/17, Finance Committee will attempt to comment by the Board Workshop on 8/20.

Status of Association Reserves Replacement Reserve Report—DJ has been authorized for the offsite update (3<sup>rd</sup> yr. of 3-yr contract).

Report on Status of R&R 2018 Projects—not available. Isabel will distribute by e-mail this month, was requested to do so each month **before** the FC meeting to allow for review.

Pool Issues – water bills, engineering study, spare parts. Study contract signed, work can begin after pool close 9/16, expected to take 6 weeks and be available by end of year; EAWSD water readings verified to be accurate, usage down from 160K gal./mo. to 83 gal./mo. and is **higher** when well is pumping—all are puzzled; pool water supply line excavation is scheduled to help determine what is happening; pool spares are coming and Russell Winslow (F&G Committee) will help Robert to assemble for quick replacement as needed.

Hike/Bike Trail Maintenance—Mowing on sides is needed, handicapped by maintenance helper Loren quitting; 2 bids coming for 2018 patch and sealcoat repair, **expedited contract approval needed to get work done before mid-October.**

Capital spending for 2018 update—Stable electric gate has prelim approval from Board, needs bids and work done; Air Conditioning for Community Center needs design and bids, fall may be a good time for best prices.

2019 Budget Timeline—Julie will provide first draft by 9/14 for review prior to 9/18 FC meeting. Tammy will come from HOAMCO office on 8/22 to assist Julie; Dictionary of Accounts requested to accompany draft budget submission; calendar spread should be available for FC review before Board approval in December.

5. **Board Liaison Report**

HOAMCO response to letter of concern was distributed for review prior to meeting, but Task List detailing progress was inadvertently not distributed—review postponed.

Timing of Board Financial Training—Joseph to follow up with Board at 8/20 Workshop.

Legal Issues—Administrative legal advice is running close to \$50K annual rate. Do we need to budget for this as a new normal?

2018 Liens and Collections—56 new liens filed in early August, join 34 accounts in collection for a total of 90 delinquents; it appears lien fees are not being recognized properly as revenue and removal fees as payables; any fees, penalties or interest that are forgiven must receive full Board approval with a written motion recorded; and be adjusted properly on the Association's books.

Update on Contract Review for annual Independent Audit—RFP out, but not sent to current and past auditors; Isabel will follow up.

Our current insurance with Cincinnati is up for renewal. Some members of Facilities & Grounds feel that the present Insurance Broker is not being responsive on risk assessment and additional coverage for special events and extended recreational activities. Nolan will assemble a list of anticipated needs, and Finance will decide whether to evaluate other insurers through our present broker or request bids from other brokers.

## **6. Financial Reports**

No stable invoices have been sent yet for 2018, problems with reading some water meters; Finance is on record requesting drastic simplification of the stable billing process; Joseph will bring to Board again.

Stable property taxes for 2017-18 were paid early in full in November 2017, taxes for 2016-17 were paid late in full in March 2017; no explanation for how or why this happened.

The HOAMCO Management Fee payments in 2018 were inadvertently budgeted without Gross Receipts Tax, so there will be about an 8.5% over-run for this item.

Honstein Oil bills seem large, which is suspicious since this is one of the accounts fraudulently charged earlier in 2018.

PoolPro invoices were late being paid, apparently since invoices were being hidden by the fraud perpetrator.

Emily provided a Variance Report on 8/13, which was helpful in answering some Financial Report questions.

1. **Next Meetings**—Joseph will resolve some problems with Thanksgiving/Christmas Board meeting schedule. Tentative Finance schedule is:

Regular Finance Committee Meeting Tuesday, September 18, 2018 at 9:30 AM

Regular Finance Committee Meeting Tuesday, October 16, 2018 at 9:30 AM

Regular Finance Committee Meeting Tuesday, November 20, 2018 at 9:30 AM

Regular Finance Committee Meeting Tuesday, December 18, 2018 at 9:30 AM

1. **Adjourn**—12:40