

## **Minutes Rev. C**

**Finance Committee Meeting Tuesday September 18, 2018**

**9:30 AM Conference Room**

**Distributions: Previous Minutes, Financial Report, Agenda, Draft 2019 Budget, 2018/19 Replacement Reserve and Capital Reports**

**Attendees:** Committee members Sandy MacGregor, Marti Zieg, David Sorkin, Fred Miller, Sal Monaco (Chair), Todd Handy, Nolan Zisman. Dan Drobnis; Board members Joseph Guiterrez (Treasurer), David MacDonald (President); HOAMCO staff Julie Navarro (General Manager), Emily Spies (NM Director of Accounting); Community Member Jean Crawford

**Public Comment**—Jean Crawford shared additional information on the sources of the ECIA's water and offered to provide it to the office staff.

**Additions to/Adoption of Agenda**—Adopted as distributed

**Approval of Minutes**—Approved as distributed

August 14, 2018

### **General Manager's Report**

Report on Status of R&R 2018 Projects—Julie and Nolan had details on which projects were complete. A Project Manager, with extensive experience, is expected to join the HOAMCO ECIA staff in a few weeks.

Pool Update – More is still to be learned about water line connections, and an engineering study is ongoing. Pool spare parts on order and some delivered, should be charged to the Replacement Reserve as pre-paid replacements. Pool water charges for the season now exceed \$35,000. **See Motion 1 (below)**. With the valve to the well shut off, the most recent monthly bill is now \$1,700, which appears much more reasonable.

Hike/Bike Trail Maintenance—two segments scheduled for Oct. 1-2, third segment on Oct. 8.

Capital spending for 2018 and 2019--Being refined.

2019 Draft Budget—Good first draft with additions needed, reviewed extensively with many changes recommended. Needs 2018 projections to be added, better handling of Replacement Reserve contribution, and improved incorporation of arithmetic and comments.

Status of Dictionary/Chart of Accounts—needs to be separate, more extensive than mere comments.

State corporate filing can and should be handled by HOAMCO ABQ.

**Motion 2 (below)** to reinstitute the use of a Board Parliamentarian.

Stable barn owners who do not pay their invoices were discussed. Joseph agreed to take to the Board the Finance Committee's concern that owners delinquent in paying their invoiced charges should lose their MIGS status.

**F&G R&R Items—** Needs detailed update of individual items so that Replacement Reserve 30-year Financial Model can deliver useable results.

### **Board Liaison's Report**

David MacDonald announced that HOAMCO has appointed Julie Navarro as their new ECIA General Manager.

HOAMCO is in the process of hiring a new Project Manager, who will occupy the slot of the former Assistant General Manager. The candidate identified will need 4 weeks to complete work for a former employer.

Letter of Engagement and Forensic Audit Report—The letter was distributed, and concerns expressed that independence was compromised by making HOAMCO rather than the ECIA the client. HOAMCO has seen a draft report and requested correction of errors. Final Report due Thursday 9/20. Emily Spies assured the committee that we would have access to the original report without redactions.

Auditor Contract Review—GM Julie reports that no Auditors other than Thad Porch, who has done the audit since 2016, have indicated interest in providing the 2018 year-end financial audit. Emily and the Finance Committee suggested a couple of additional firms to contact.

Avaya phone contract—never seen or reviewed by the Finance Committee.

Cyber security Insurance—Not clear whether existing ECIA insurance, or HOAMCO insurance, covers the risk of malware or ransom-ware attacks on ECIA desktops and servers.

HOAMCO update—non provided.

Tennis Court usage by Eldorado School—still in a very tentative stage. GM Julie was advised to review any potential agreement to assure there is a Memorandum of Understanding re: liability indemnity.

Status of Waste Management contract—pretty much meaningless, Attorney advises to let it lapse in 2020.

Board Compliance with ECIA Procurement Policy—all formal Board Policies need to be brought together by the GM and presented to the Board for review and possible updates. In the meantime, the Board and HOAMCO should be complying with them.

### **Financial Reports**

August 2018 Report and Bank Statements

The August 2018 Financial Report was discussed. The Sunflower Bank Statement was not provided, contrary to prior agreement.

**Motion 3 (see below)** to request reports and documents to be sent directly to Finance Committee members.

### **Next Meetings**

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

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

**Adjourn—1:32 PM**

**Motion 1:** The Finance Committee expresses to the Board its concern at the considerable size (over \$35K) of the pool water bill this year—an overrun of over \$30K. Given the concerns of the Facilities and Grounds, and Finance Committees expressed beginning in May, and the lack of effective action by HOAMCO employees to understand or address the problem until August, the Finance Committee requests the Board to discuss with HOAMCO how this cost should be shared. 8-0-0

**Motion 2:** In order to reduce the use of expensive Attorney time, the Finance Committee recommends that the Board reinstitute the practice of appointing a non-Board member of the community as Parliamentarian to review questions related to the Association's Governing Documents, Robert's Rules of order, and other non-legal issues of meeting and Association procedure. 7-0-0

**Motion 3:** The Finance Committee requests that all documents from the Board, Treasurer, and HOAMCO intended for all Finance Committee members be distributed directly to Committee members in order to avoid inadvertent delay or misplacement, and that the Finance Committee Chair undertake to provide all parties with an updated e-mail list of Committee members. 7-0-0