

APPROVED



**Finance Committee Meeting – Tuesday, August 17, 2021**

**Via Zoom Platform at 3:00 P.M.**

**Committee Members Present:** Matt Wood (Treasurer/Chair), David Light and Paige Shockley

**Absent:** Chuck Corriere and Bob Mariani

**Guests:** Gayle Lopez

**First Service Residential Staff:** Barbara Daoust and Veronica Alvarez

**I. Call to Order:** The meeting was called to order at 3:00pm.

**II. Approval of July 20, 2021 Minutes:** **A motion was made by David Light and seconded by Matt Wood to approve the July 20, 2021 minutes with correction. Motion passed unanimously.**

Note: The following revisions were made to the July 20, 2021 Minutes: (1) Under Section II, Paragraph 2, add “Approved Process Resolution” to E and (2) Under Section IV, Bullet two, add “in the budget” to the first sentence.

**III. Chair’s opening remarks:** Matt Wood reported that (1) the board requested FirstService Residential to add additional language to the agreement to clarify the spending limit during emergency situations; (2) the Procurement Policy & Competitive Bid Policy and the Project Funding Approval Process was approved by the board; (3) the Gift Policy was not approved; (4) the landscaping proposals reviewed by the committee last month were approved by the board; (6) the association is working with a consultant on the erosion projects; and (7) the 2019 audit is completed.

**The next meeting of the committee will be September 15 at 1:00pm to work on the 2022 Budget.**

It was suggested that the committee considered adding a line item to the 2022 budget for gifts.

**IV. Review July 2021 Financials:** Veronica Alvarez reviewed the July 2021 financial reports. The following topics were discussed:

- The operating account has a balance of \$1,331,130 and the reserves amount is \$3,029,229 as of July 31, 2021.
- It was noted that Siena monthly reserve was not made. There were some bank issues in moving reserve funds from Vertex to operating. This will be completed in August.
- Based on the 2019 audit recommendation there were reclassification made and a revised December 2020 financial report was forward to Butler Hansen. A copy will be sent to the Finance Committee.
- Under Grounds Labor, \$14,449 was paid to AAA for clearing drainage areas and back log on work orders.

Comments made:

- It was recommended that Siena repay the suspended payment to reserves as soon as possible.
- It was pointed out the 2019 Tax Return may have been wrong since it did not consider the carry-over from 2018. Veronica Alvarez will research this issue.
- The reclassification of the WLB invoice in the amount of \$5,495 was discussed and recommended to reclass to the operating account “Professional Fees”.

**A motion was made by David Light and seconded by Matt Wood to move the WLB expense from the reserve account to operating account, Professional Fees. Motion unanimously passed.**

**A motion to accept the July 2021 financial report was made by David Light and seconded by Paige Shockley. Motion passed unanimously.**

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**V. Old Business**

**A. Revised Reserve Fund Accounting Project Report**

The committee discussed the Project Tracking Tool and the updates to the spreadsheet. There were two projects that the Parks & Landscape Committee recommended not to carry over in the 2022 budget year: component #122 Street Lights Repaint - \$65,400 and component #322 Landscape Granite- Replenish - \$207,000. It also did not include the Sunset Ridge Park wood chip replenishment project (\$4,800) component #1216 which was slated for 2022 but will be completed in 2021. There was some urgency in addressing this project in 2021 because of possible fungus growth among the existing wood chips. David Light will make the revisions to the spreadsheet that were discussed and send copy to the Finance Chair and General Manager. It was suggested that RFPs include the capital reserve component number and to encourage bidders to have it on their proposals.

**B. Inclusion of Siena in Reserve Study**

**A motion was made by David Light and seconded by Matt Wood to recommend to the board to inform Association Reserve as soon as possible to exclude Siena from the LUP. Motion carried.**

**C. 2019 Audit Questions**

Matt Wood indicated that the board did discuss the email questions. It was suggested that the Finance Committee follow up with the internal control suggestions made by Butler Hansen. This topic will be placed on a future agenda.

**VI. New Business**

**A. Sunset Ridge Playground Bridge Replacement (\$1,500)**

**A motion was made by David Light and seconded by Matt Wood to approve the Third Degree Recreation proposal to replace the Sunset Ridge Playground walkway with the rubber option suggested by the Parks & Landscape Committee. Motion was unanimously approved.**

**B. Discuss 3 Year Budget with Constriction on Growth of Operating Budget**

**A motion was made by Matt Wood and seconded by David Light to recommend to the Board to have the Finance Committee prepare a rolling 3- year income/expense budget along with annual budget. Motion passed unanimously.**

Discussion ensued on a new budget approach. At the next board meeting Matt Wood would propose a separate meeting with the board to discuss this approach.

**C. Inclusion of Reserve Projects in 2022 Budget**

Discussion ensued about large projects such as Bridal Veil and Greenway Channel. Mr. Light suggested to include a drainage mitigation component in the reserves every 3 to 4 years for \$50,000.

**D. 2022 Budget Preparation**

The committee reviewed the VCA and Siena Reserve Fund Budgets for 2022. The committee discussed the reserve study update costs and the bank/investment charges.

**A motion was made to move the reserve study update costs (\$3,000) and the bank/ investment charges (\$12,000) to the income section of the reserve fund budget. Motion carried.**

**VII. Adjournment: Meeting adjourned at 5:01pm.**

The date and time of our next meeting is September 15, 2021 at 1:00pm to work on the 2022 Budget.

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