



Finance Committee Meeting – Tuesday, October 19, 2021

Via Zoom Platform at 3:00 P.M.

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

Absent: Bob Mariani

Guests: Sarah Nelson, Gayle Lopez and Joe Affinati

First Service Residential Staff: Barbara Daoust

I. **Call to Order:** The meeting was called to order at 3:05pm.

II. **Adopt Agenda**

A motion was made by Paige Shockley and seconded by Matt Wood to suspend discussion under New Business agenda topics C. Discuss 3- year income/expense budget and E. Project Funding Approval Process Resolution until next month.

Motion was approved unanimously.

III. **Approval of September 21, 2021**

A motion was made by David Light and seconded by Matt Wood to approve the September 21, 2021 minutes as amended. Motion passed unanimously.

Note: The following revisions were made to the September 21, 2021 Minutes: (1) Under Section VII, A. and B. to remove the words “to approve”.

IV. **Chair’s opening remarks:** Matt Wood reminded the group that board members are invited to attend but can only ask questions as a homeowner during the owner portion of the meeting.

Vance Falbaum from RBC Wealth Management will be joining the meeting at 4:00pm to give the associations investment report.

V. **Review of September Financials:**

- Matt Wood reported that income meets the 2021 expected budget amount.
- In the expense category the association continues to be over budget in legal costs. It was pointed out that legal expenses year to date is approximately \$58,000.
- Discussion on the electronic platform expenses and costs of paper statements continued. It was suggested that perhaps this item should be addressed during re-negotiation of the management agreement since the committee does not see the benefit to the community.
- Grounds labor expense is for a crew of 3 to address back log of work orders and drainage area clean up.
- Year to date operating fund surplus is \$115,634.

A motion was made by Paige Shockley and seconded by David Light to accept the September 2021 financial reports as presented. Motion was approved unanimously.

VI. **Old Business**

A. Capital Reserve Tracking Tool

The committee reviewed the spreadsheet. It was noted that component #1216, replacement of wood chips for the Sunset Ridge Park was completed this year but was scheduled for 2022. This should be brought to Association Reserves attention.

B. 2022 Draft Budget

The committee reviewed and agreed upon the following changes to the proposed 2022 VCA budget.

Siena Budget

The committee discussion focused on whether to include the Reserve Study amount of \$620 in the proposed budget.

A motion was made by David Light and seconded by Paige Shockley to place the \$620 for the reserve study expense in the Siena budget. Motion was approved with two votes in favor and one opposing vote casted by Matt Wood.

VCA Budget

The payroll and benefit line item were increased to 8% based on feedback from FirstService Residential.

Discussion ensued on increasing the proposed reserve transfer from the proposed \$500,000 to \$700,000.

A motion was made by David Light and seconded by Paige Shockley to increase the reserve transfer \$200,000. Motion approved unanimously.

VII. Investment Report – Vance Falbaum, RBC Wealth Management

Vance Falbaum reviewed the attached portfolio performance report for the third quarter of 2021. Investment are primarily Treasury Bonds 55%, corporate bonds 27%, municipal bonds 10% and international bonds 7%.

Discussion ensued on how it was reported on the VCA financial statements which is required by Arizona State Statute and on the management fees that RBC Wealth Management is paid for servicing the account.

VIII. Adjournment: Meeting adjourned at 4:46pm.

The date and time of our next meeting is November 16, 2021 at 3:00pm.