



Finance Committee Meeting – Tuesday, November 16, 2021

Via Zoom Platform at 3:00 P.M.

Committee Members Present: Matt Wood (Treasurer/Chair), Paige Shockley, Bob Mariani and Linda Longlet

Guests: Sarah Nelson, Gayle Lopez and Joe Affinati

First Service Residential Staff: Barbara Daoust and Veronica Alvarez

- I. **Call to Order:** The meeting was called to order at 3:01pm. Matt Wood introduced and welcome Linda Longlet to the committee.
- II. **Adopt Agenda**
A motion was made by Bob Mariani and seconded by Paige Shockley to accept the agenda as presented. Motion was approved unanimously.
- III. **Approval of October 19, 2021 Minutes**
A motion was made by Paige Shockley and seconded by Matt Wood to approve the October 19, 2021 minutes as presented. Motion passed unanimously.
- IV. **Chair's opening remarks:** Matt Wood welcome the board members in attendance and reminded that they may ask questions during the homeowner portion of the meeting.
He updated the committee members on the progression of the office search. Further discussion on the topic will take place at the December 9 board meeting. There are two locations being considered, at the Mountain View Plaza and Rancho Vistoso Shopping Center.
The association received a qualified audit for 2019. One of the sticking points was the validation of the commercial assessments. Based on the association attorney's recommendation, the association is soliciting estimates to conduct a survey of six accounts to confirm the acreage of the properties.
- V. **Review of October Financials:**
Veronica Alvarez provided an overview of the October 31, 2021 financial reports.
 - Operational cash at month end is \$1,321,582 and the reserve fund is \$3,122,337.
 - Income is \$9,635 over budget largely due to builder units transferring to homeowner occupy.
 - The rebill fee expense for \$7,665 is the quarterly late notice billing.
 - Legal expenses are \$51,000 over budget.
 - The association is working with the communications committee to promote the electronic platform to the members.
 - Discussion ensued about the bank investment charges and the reason for moving it to income. The committee decided to move the line item back.
A motion was made by Bob Mariani and seconded by Linda Longlet to move the bank investment charge to the reserve expense category. Motion was approved unanimously.
 - There were no reserve expenses for the month of October.
 - Average expenses per month are \$233,136 and available operating cash on hand covers 2.69 months of expenses.It was suggested that the association consider looking into banks that work with HOAs which would provide lock box services at no cost. It was explained that FirstService Residential uses US Bank which is compatible with their software.
A motion was made by Bob Mariani and seconded by Paige Shockley to accept the 2021 October financial report as presented. Motion carried unanimously.

VI. Old Business

A. Capital Reserve Tracking Tool

It was noted there were no changes from last month's report since there were no reserve expenses in the month of October.

B. 2022 Draft Budget

The budget mailing to homeowners has been sent to the printer. Waiting to hear back on the expected date the mailing will be out.

Management Agreement Amendment

The management agreement amendment is now in line with the association's procurement policy. The previous language restricted management spending in emergency situations. This addresses the discrepancy.

VII. New Business

A. Horizon Wall Tree Pruning & Removal Proposal

This proposal was approved by the board at their October 28 meeting. The painting project has been placed on hold until the trees could be removed to gain access to the areas where the walls need to be repair prior to painting.

B. 2019 Tax return

Veronica Alvarez has requested Butler Hansen to contact the IRS regarding a \$2,400 refund from 2018.

C. Discuss 3 yr. Income/Expense Budget

The committee decided to table this project.

D. Internal Control Suggestions by Butler Hansen

The board is addressing the commercial assessment issue currently and has addressed the tax issue and the 70-604 annual declaration, the design review deposits and reimbursement settlements and supplementary information related to major repairs and replacements.

E. Project Funding Approval Process Resolution

Matt Wood will draft a resolution supporting the flowchart that was approved by the board.

F. Carpenter Hazlewood Issue

Currently the board is addressing some questions they have concerning the tracking of money collected on delinquent amounts with Carpenter Hazlewood.

Homeowner Forum

Gayle Lopez provided an explanation on the following items: the management agreement language change and the Carpenter Hazlewood matter. Management advised that the Carpenter Hazlewood matter should remain in executive session until an outcome is reached.

VIII. Adjournment: Meeting adjourned at 4:24pm.

The date and time of our next meeting is December 21, 2021 at 3:00pm. It was discussed to cancel the December meeting since it is on the holiday week and there are no pressing matters to address. The committee will receive confirmation of the next schedule meeting date shortly.