



## Finance Committee Meeting Minutes – Tuesday, March 21, 2023

### Via Zoom Platform

**Committee Members Present:** David Light (Treasurer/Chair), Tracy Anne Phillips, Paige Shockley, Joan Sauer and Barbara Stough

**Absent:** Sherry Patterson

**First Service Residential Staff:** Barbara Daoust, Kimberly Breland and Colin Rinne

I. **Call to Order:** The meeting was called to order at 3:01pm.

II. **Chair's Opening Remarks**

David Light mentioned that it was a privilege to work with such a talented group for the past year. Since there is a full agenda for this meeting, he reminded members to provide concise comments.

III. **Agenda**

**A motion was made by Paige Shockley and seconded by Joan Sauer to approve the agenda as presented. Motion was approved unanimously.**

IV. **Review the Minutes from February 21, 2023**

The additional points were added to the February 21, 2023, minutes:

- Under V. Review of 2022 December Financial Report add audit fee during 2022 as last bullet.
- Under VI. Review of January 2023 Financials add to 8<sup>th</sup> bullet at the end of sentence, "and review source of unclaimed deposits."
- Add sentence after motion under VI. Review of January 2023 Financials, "Committee agreed to postpone the acceptance of the January financials until requested information is received".

**A motion was made by Joan Sauer and seconded by Tracy Philips to approve the February 21, 2023, minutes as amended. Motion was unanimously approved.**

V. **Review of January 2023 Financials**

The committee discussed the following points.

- Request made to have revised financial statements to be sent to all committee members.
- Cash flow report to remain as standard report.

**A motion was made by Joan Sauer and seconded by Paige Shockley to accept the revised January Financial report and recommend approval to the board.**

VI. **Review of February 2023 Financials**

The committee made the following points.

- Transfer of the Money Market accounts to CDs that were recommended by Karla Chung are in process. Colin Rinne will send an email to the committee members when this is completed.
- In checking with Karla Chung, investments with Signature Bank will be honored by FDIC.
- Accounts payable is showing a credit with Pitney Bowes.
- Staff to look into office lease accrual amount for 2022.
- Reserve expense for drainage in the amount of \$3,590 is for component 190(A).
- Income assessment – In researching the cause of the variance, the unit count of 6629 includes builder accounts, commercial parcels and anticipated new homes closed. The current total billable accounts are 6199.
- GL Code 5007w, Salaries & Benefits – Expense exceeding budget amount because of health care premiums and federal unemployment taxes.

- GL Code 5055, Meeting Expense – Expense exceeding budget due to the increase costs of the annual meeting.
- GL Code 5100, Water/Sewer - Costs are currently under budget.
- Siena Statement of Revenues & Expenses – parcel assessment lower than budget amount.
- AP Aging Report – Staff will review the findings on the refund of \$117.80 dated June 14, 2022, to Mitchel Hutchison.
- Security Deposit Report under 34-7022-0028- 01C Larry Johnston should be reported as a key deposit not security deposit.

**A motion was made by Joan Sauer and seconded by Barbara Stough to recommend to the board to accept the 2023 February financial reports. The motion passed with four votes in favor and Paige Shockley not casting a vote.**

## VII. Business

### A. Credit received from Carpenter Hazlewood of \$6,811.69 – November Report and \$380.00 – December Report

Both refunds were a result of auditing research by the Finance Committee. Tracy Phillips indicated there are questions still unanswered and referred to the email dated March 11, 2023. It was suggested to recommend to the board additional auditing of the Carpenter Hazlewood invoices be done.

### B. Budget Assessment Count vs Parcel Count for Residential

This topic was addressed previously in the meeting.

### C. Capital Reserve Tracking Tool

David Light reviewed the purpose and importance of utilizing this tool to track reserve projects and expenses.

Note: Joan Sauer left the meeting at 5:02 PM.

### D. Chart of Accounts

Kim Breland resent the Chart of Accounts to David Light which includes the balance sheet accounts. This is a representation of budget accounts and is not an exclusive list. It serves as a reference guide.

Note: Kim Breland and Colin Rinne left the meeting at 5:20 PM.

The committee agreed to postpone discussion on the Unclaimed Property/Security Deposit topic and meet an additional 20 minutes to complete discussion on the last two topics on the agenda.

### E. Revised Reserve Fund Policy

The Committee reviewed the highlighted sections of the proposed policy.

- Under section 1 of the policy the committee discussed the first highlighted section.

**A motion was made to keep the highlighted section in the policy, “add best efforts to achieve 100% fully funded balance as soon as reasonably possible”. Motion passed with three votes in favor and one opposing vote casted by Tracy Phillips.**

- In section 2a. and 2b of the policy the committee discussed the highlighted words “or purchases” and **agreed unanimously to remove the words.**
- The committee discussed the Capital Improvements section of the policy.

**A motion was made by David Light and seconded by Paige Shockley to keep the Capital Improvement section in the policy. The motion was defeated with four opposing votes casted by Paige Shockley, Tracy Phillips, Barbara Stough and David Light.**

- The highlighted section under Loans from Reserves was discussed. This language identifies measures for loans from the reserve fund.

**A motion to keep the highlighted section 3 under Loans from Reserves in the policy was made by David Light and seconded by Barbara Stough. Motion was unanimously approved.**

### **G. Possible Additional Carpenter Hazlewood Auditing**

After a recent audit of Carpenter Hazlewood invoices, it appears there are more problems with their billings. It suggested to recommend to the board to have Tracy Phillips continue auditing their billings.

**A motion was made by David Light and seconded by Barbara Stough to recommend to the board to continue to audit Carpenter Hazlewood invoices for billing errors. Motion was unanimously approved.**

### **VII. Adjournment**

Next meeting is tentatively scheduled for Tuesday, April 18, 2023, at 3:00pm.

The meeting adjourned at 6:17 PM.