

**HEATHER GARDENS JOINT BUDGET & FINANCE COMMITTEE
JUNE 20, 2022, MEETING REPORT
COMMITTEE MET IN BOARD ROOM
MEETING ALSO AVAILABLE ON ZOON**

TO: Members of the Heather Gardens Budget & Finance Committee, HGA Board of Directors, HGMD Board of Directors, Chief Executive Officer, and Chief Financial Officer.

FROM: Terry Hostetler, HGA Treasurer, and Bill Archambault, HGMD Treasurer

Committee: Terry Hostetler, Co-Chair, Bill Archambault, Co-Chair, Craig Baldwin, Harry Laubach, Ray Nash, Randy Lane, Richard Ferguson, and John Recob.

Staff: Jon Rea, CEO; Jerry Counts, CFO.

Audience: Approximately 19 residents, via zoom, including HGA Board Members and HGMD Board Members

Welcome and Chair Comments: The B&F Committee meeting was called to order at 10:00 AM. A quorum was established. Co-Chair Hostetler welcomed all members and residents present via Zoom. Linda Serio has resigned from the committee and John Recob was welcomed as a new member.

The May 16, 2022, B&F Committee meeting report was accepted with one correction.

Monthly Operating Analysis Review: Jerry Counts, CFO, reviewed the May financial statements for HGA and HGMD. All questions were answered.

Subcommittee and Other Reports:

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: The committee met on May 23rd and discussed answers to questions submitted to the insurance broker. Also met with insurance brokers on June 9 and discussed the insurance needs of HGA. Insurance brokers thought the premium increase would go up by 20% or more for the next renewal.

Capital Projects Subcommittee: No meeting. However, the chair will meet in mid-July with the CEO and the CFO to review the capital component listing. A subcommittee meeting will be arranged after that.

Investment Update: Three annuity contracts have been signed and a fourth is pending.

Unfinished Business:

Ratify email vote for buildings 221 and 222 Roof Replacements.

Project Cost: \$985,768.

Motion by Baldwin, seconded by Laubach and passed unanimously that the Joint Budget and Finance Committee ratify the email vote taken on May 21, 2022, to replace the roofs for Buildings 221 and 222.

New Business:

- 1) Motion by Laubach, seconded by Lane and passed unanimously that the Joint Budget and Finance Committee recommend the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve the attached 2023 budget development schedule, as amended.
- 2) Motion by Lane, seconded by Baldwin and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the purchase to upgrade the Toro Lynx software for the current Heather Gardens irrigation system from LL Johnson Toro. The cost of the upgrade is \$14,464.20. This is an unbudgeted item.
- 3) Motion by Recob, seconded by Laubach and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors ratify the contract with Air Conditioning Associated, Inc – Denver Boiler Company to replace the 95 boiler tubes in the boiler in Building 243. The cost of the contract is \$23,558 with a change order reserve of \$2,355 for a total project cost of \$25,913. This is an unbudgeted expense.
- 4) Motion by Baldwin, seconded by Nash and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the reassignment of \$50,000 of previously budgeted and approved Concrete Capital Funds for use in future Handrail Repair Projects.
- 5) Motion by Baldwin, seconded by Lane and approved unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the revisions and updated to the FINANCE – 1 BANKING POLICIES, last updated on June 18, 2019, as amended. (The Committee recommends that the Chief Human Resources Officer be added as an authorized signature on all bank and investments accounts).
- 6) Motion by Laubach, seconded by Baldwin and approved unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the revisions and updates to the **FINANCE – 3 INVESTMENT POLICY**, last updated on May 21, 2019.
- 7) Motion by Nash, seconded by Lane and approved unanimously that the Joint Budget and Finance Committee table the motion regarding revisions and updates to the **FINANCE – 4 EXTERNAL AUDIT POLICY** last updated on June 18, 2019, until the July 2022

meeting. This will allow a committee member to recommend some wording changes to the Policy.

- 8) Motion by Hostetler seconded by Lane and passed by a vote of 3 in favor, 2 abstentions, and 1 against that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve the contract with Sunny Day Concrete to complete the 2022 asphalt/concrete project at the HG Maintenance Building Parking Lot. The contract amount is \$31,679 with a 20% change order in the amount of \$6,336 for a total cost of \$38,015. This is under the budgeted amount of \$59,282.
- 9) Motion by Lane, seconded by Recob and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve using Lottery (Conservation Trust Fund) funds for pickleball equipment not to exceed \$3,046.00.
- 10) Motion by Recob, seconded by Baldwin and passed that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve using Lottery (Conservation Trust Fund) funds to replace the billiard table at a cost not to exceed \$6,134.99.
- 11) Motion by Laubach, seconded by Baldwin and passed unanimously that the Joint Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve authorizing the Chief Financial Officer and the HGMD Treasurer to reinvest the money from the \$100,000 Foundation Fund CD maturing on June 27, 2022, at the best possible CD rate as of the date of maturity for one year and considering investing for a period of up to 3 years depending on the interest rate.

Members of the audience wishing to speak on non-agenda items: None

The meeting was adjourned at 12:13 PM. The next meeting will be on July 18, 2022.