

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE  
JANUARY 17, 2022, MEETING REPORT  
ZOOM MEETING**

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

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

**Committee:** Terry Hostetler, Co-Chair, Craig Baldwin, Harry Laubach, Linda Serio, Randy Lane, Ray Nash, Richard Ferguson.

**Absent:** Bill Archambault, Co-Chair

**Staff:** Jon Rae, Chief Executive Officer; Jerry Counts, Chief Financial Officer, Jason Altshuler, Chief Operations Officer

**Audience:** Approximately 17 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 10:02 a.m. A quorum was established. Co-Chair Hostetler welcomed all members and residents present.

The December 20, 2021, B&F Committee meeting report was accepted as presented.

**Monthly Operating Analysis Review:**

CFO Counts reviewed the financial reports for both HGA and HGMD and answered all questions pertaining to the December 31, 2021 year-end financial reports, paying particular attention to the variances of income and expenses for the month, and year-end.

CFO Counts brought up that he will prepare and present in the first quarter of 2022, a simple review of HGA's and HGMD's financial information, that will be delivered in a workshop. He will provide this so that the "average" homeowner will have a better understanding of the financial knowledge of the community. It will be presented in an open forum, with there being No Dumb Questions.

CFO Counts also stated that he and CEO Rae and COO Altshuler have reviewed the Jenark accounting software, and he feels that having learned the system since starting here in March 2021, that the software does a good job of keeping everything up to date, and program is spot on and tracks everything to the penny.

## **Subcommittee and Other Reports:**

**Audit Subcommittee:** The report was included in the B&F committee package and there were no comments regarding the December 2020 review. There was a brief discussion on the handling of the year-end inventory. Prior to this year the committee provided assistance in the actual count. This year they provided this help with golf and restaurant. The HGA parts inventory was handled by employees, with members of the Audit Committee being there to observe the process.

**Insurance Subcommittee:** Randy Lane advised that he anticipates that in March 2022, that the committee will reconvene to address HGA and HGMD insurance and come up with an action plan for the review of insurance advisors and insurance policies currently in place.

**Capital Projects Subcommittee:** There was no meeting however staff is preparing updates to the capital component listings and will provide an update at a future meeting.

**Investment Committee:** Co-Chair Hostetler advised that the Investment Committee will hold a Zoom meeting on Thursday, January 27, 2022, at 10:00 a.m. with representatives from Raymond James, Heather Gardens' financial advisors, who are expected to present an update of HGA and HGMD investment portfolios, with an update on select Fixed Annuities that are available for potentially increasing the earnings on investment; as current certificates of deposit mature.

## **Unfinished Business:**

None

## **New Business:**

**A) Parking Structure Update:** Ray Nash, Chair of the Parking Structure Ad Hoc Committee (PSAC) updated B&F on the current condition of the structures. He stated that BC& E, the engineering firm that has knowledge and has previously provided reports on the structures, have created an updated draft report regarding the condition of the 4 parking structures. The PSAC has the recent draft report from BC& E, and the PSAC is expecting to receive an estimate of 2022 costs within the next two months.

**B) Motion: Recommend Extending Ray Nash's Appointment to the Budget and Finance Committee**

Baldwin moved and Lane seconded the motion that passed unanimously, that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors approve Ray Nash's appointment to the Budget and Finance Committee be extended for a sixth year.

**Rationale/Notes:** Ray Nash has the financial experience valuable to the Budget and Finance Committee and the Capital Program Subcommittee.

**C) Motion: Recommend the HGMD Board of Directors Approves the Carry Forward of 2021 Projects Spending Authority Totaling \$87,513.50 Over to 2022.**

Lane moved and Baldwin seconded the motion that passed unanimously, that the Budget and Finance Committee recommends that the Heather Gardens Metro District Board of Directors approves the Carry Forward of the 2001 Projects Spending Authority Totaling \$87,513.50 over to 2022.

The following are the Approved 2021 HGMD projects, to request the remaining 2021 funds be carried over to the 2022 Budget:

- HVAC \$10K for 1/3 install for UV Light in the RTU – Installed on Jan 3, 2022. Waiting on vender provided equipment training for HG staff and final invoice.

**Carry Over Amount: \$22,937**

- Fuel Tank (Maintenance Building) – The projected installation date is late January/February 2022. **Carry Over Amount: \$45,373**

- Floating Water Fountain and Lights – Water Fountain Pump is Backordered. The supplier LL Johnson is scheduled to deliver in 2 weeks. (Lottery Money).

**Carry Over Amount: \$11,000**

- RV Parking Lot – \$3,703.50 was withheld from the vender for incomplete work associated with the 2021 Contract. This work will be completed and paid in early spring of 2022. Added change order work to skim patch the (2) large cracks located in the middle of the RV Parking Lot is \$4,500. We are waiting on approval from HGMD board to move forward with the added change order skim patch work, this added work would push the project over the approved total project amount by \$3,184.

**Carry Over Amount if Skim Patch Work is Approved: \$8,203.50**

**D) Motion: Recommend the HGA Board of Directors Approves the Carry Forward of 2021 Projects Spending Authority Totaling \$211,440 over to 2022.**

Lane moved and Baldwin seconded the motion that passed unanimously, that the Budget and Finance Committee recommends that the Heather Gardens Association Board of Directors approves the Carry Forward of the 2001 Projects Spending Authority Totaling \$211,440 over to 2022.

The following are the Approved 2021 HGA projects to request the remaining 2021 funds be carried over to the 2022 Budget:

- 2021 Elevator Jack Replacement Project at B235 and B242- The city of Aurora is requiring a change order to add an Accessible Hydraulic Line at B235 to meet new city code. This project will cost \$9,000 and was approved by B&F in their December 2021

meeting as part of \$58,720 added change order money needed to complete the project. (Additional cap reserve was not required). The contractors' Accessible Hydraulic Line proposal is attached. The remaining change order work will be completed in January of 2022. **Carry Over Amount: \$9,000**

- Chair Rail Project (2020 Budget) – B213 and B244 are complete. B233 is scheduled to be completed in 2022. **Carry Over Amount: \$30,422**

- Replace Carpet Extractor – The new Carpet Extractor is backordered. The expected delivery is late January/ February 2022. **Carry Over Amount: \$3,766**

- Construction Bid Administration - Project/Budget was originally created/approved to cover the cost for Walker Consultants to investigate and provide suggestions, regarding the Parking Structures. This project/budget is now used to cover the cost of Architects, Engineers and Contractors requested by PSAC to investigate and help recommend solutions to the board, regarding the direction of the Parking Structures. (No Cap Ex - Budget was approved without a Cap Ex). **Carry Over Amount: \$168,252**

**E) Motion: Approve the Replacement of the Remaining 55 FPE Panels In CP4, 5, and 6**

Lane moved and Laubach seconded the motion, that passed with 5 votes For, and Nash Abstaining, that based on the recommendation of the Budget & Finance Committee, moves that the Heather Gardens Association Board of Directors approves the request to pay for the \$180,468.75 cost of replacement of the remaining 55 FPE Panels in CP4, 5, and 6.

**Rationale/Notes:** Receiving early approval would allow for the creation of a PO for accounting to release a check as a down payment to reserve the stock panels at the supply house. If we wait until February of 2022 to receive approval from B&F and the Board, we run the risk of the panels being sold without knowing when the next shipment of panels will be arriving, considering the on-going supply shortages throughout the industry.

Based upon the success of the 2021 FPE replacement project, the recommendation is to contract with Positively Charged Electric to replace the remaining (55) Federal Pacific Electrical Panels throughout CP4, 5 and 6, completing the FPE replacement project throughout HG CP units.

**Members of the audience wishing to speak on non-agenda items:**

None

**The meeting was adjourned at 11:34 a.m.**

**The next meeting of the B&F Committee will be on February 14, 2022, at 10:00 a.m.**