

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE
MAY 15, 2023, MEETING REPORT
COMMITTEE MET IN THE BOARD ROOM
MEETINGS ALSO AVAILABLE ON ZOOM**

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, John Recob, and Bev Havens.

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

Audience: Approximately 16 residents, 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 guests.

The April meeting report was accepted as presented with two corrections.

Nick Picucci discussed interest rates and reinvesting maturing investments. See item 1 under new business.

Monthly Operating Analysis Review: Jerry Counts, CFO, reviewed the April 2023 financial statements for HGA and HGMD. All questions were answered.

Subcommittee and Other Reports:

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: No meeting was held. A meeting with the broker will be scheduled for next month.

Capital Projects Subcommittee: John Recob, the subcommittee chair, briefly reviewed the notes from the April 27th meeting. The next meeting is scheduled for June 22nd at 1:00 PM in the Board Room.

Investment Update:

Unfinished Business: Discussion regarding evaluating the audit process as per the JPM B-1, Section VIII (b)(5). Staff will prepare an evaluation to be discussed at the June 2023 committee meeting.

New Business:

- 1) Discussion of Interest rates and reinvestment of maturing investments. Nick Picucci of the Nice Group stated that the position of the Nice Group is that interest rates will flatten out towards the end of this year and then will trend downward. CDs currently are earning slightly more than US Treasuries. The 2 to 4 year investment ladder currently in effect has CD interest rates earning between 4.2% and 4.5% yield to maturity.
- 2) Budget Development Schedule of 2024 budget cycle. The date on the schedule presented should show Thursday, June 15, 2023, as the date that the budget schedule will be approved by the HGMD Board of Directors. After discussion, the committee decided that the wording dealing with the meetings scheduled for September 25th through September 28th needed to include statements to the effect that these are the key dates for residents to suggest budget changes. Members are to provide Terry Hostetler with suggested wording as soon as possible. The schedule will be on the June agenda for recommendation to the Boards.
- 3) Motion by Baldwin, seconded by Nash and approved unanimously that the Joint Budget and Finance Committee recommend that the HGA Board of Directors approve the wording on the attachment identified as "The Heather Gardens Association Ballot regarding the 2024 Budget" and that the wording be used as ballots are mailed to all unit owners. (see attachment to this document).
- 4) The Jetz contract was briefly discussed. Because committee members only received the contract earlier in the morning, no action was taken.

Members of the audience wishing to speak on non-agenda items: A resident asked if the insurance letter prepared by Susan Lambert about two years ago was still available. After a quick search, the letter is available on the HGA website.

The meeting was adjourned at 12:06 PM. The next meeting will be on Friday, June 16th at 10:00 AM in the Board Room and via Zoom.