

HEATHER GARDENS BUDGET & FINANCE COMMITTEE
MEETING REPORT
February 17, 2023

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, Bill Archambault, Co-Chair, Bev Havens, Craig Baldwin, Harry Laubach, John Recob, Randy Lane, Ray Nash, Richard Ferguson.
NOTE: Bill Archambault, Excused absence for this meeting.

Staff: Jon Rea, Chief Executive Officer; Jerry Counts, Chief Financial Officer

Audience: Approximately 20 residents via Zoom, including HGA Board Members and HGMD Board Members.

The January 16, 2023, B&F Committee meeting report was accepted, with several corrections/modifications made.

Monthly Operating Analysis Review:

CFO Counts reviewed the financial reports for both HGA and HGMD and answered all questions pertaining to the January 31, 2023 financial reports, paying particular attention to the variances of income and expenses for the month.

Subcommittee and Other Reports:

Audit Subcommittee: The report was included in the B&F committee package and there were no comments or issues regarding the most recent audit.

Insurance Subcommittee: Randy Lane advised that there was nothing new to report at this time..

Capital Programs Subcommittee: John Recob reported that on February 15, 2023, the subcommittee met, and that the review of the current list will need to be updated, which will be an ongoing process throughout the year.

Investment Committee: Co-Chair Hostetler advised that with the assistance of HGA's investment advisor and CFO Jerry Counts it was decided to reinvest all of the matured and maturing Certificates of Deposit in 2023 into 2 year Certificates of Deposit. The new investments have been reinvested with the interest rates being in the mid to high 4% range, which is a better rate of return than what has been seen in the past few years.

Unfinished Business: Co-Chair Hostetler advised that an ad hoc committee has been formed to review and revise the: **JPM B-1 Budget and Finance Committee**. The workshop will be held at 1:00 p.m. on Wednesday, February 22, 2023 at the Clubhouse. This workshop will be the first of many, that will be held to work on this important update.

New Business:

- A) Information Only-Building 241 Emergency Elevator Repair (\$14,056.60)** This was reviewed by the committee.
- B) Motion: Recommend 2023 Chair Rail Project for Buildings 221, 222 and 250 (\$86,940).** John Recob moved and Craig Baldwin seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the 2023 Chair Rail Project for Buildings 221, 222 and 250, totaling \$86,940. This is a budgeted project in the 2023 budget for an amount of \$86,940.
- C) Motion: Recommend 2023 Concrete/Handrail Repairs and Replacements (\$238,050)** Craig Baldwin moved and Bev Havens seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the allocation of \$238,050 of budgeted Capital Project funds for the purpose of a variety of cement and stair repairs throughout the community as identified necessary by the Heather Gardens Staff.
- D) Motion: Recommend Building 217 Hot Water Recirculation Project (\$24,840)** Ray Nash moved and Harry Laubach seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the Building 217 Hot Water Recirculation Project, at a cost of \$22,356 plus a change order amount of \$2,484 for a total cost of \$24,840. This is an approved budgeted line item of \$24,840.
- E) Motion: Recommend Replacing Debris (Truck) Loader (\$10,800)** Harry Laubach moved and Bev Havens seconded the motion that was passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the purchase of a Little Wonder debris loader from LL Johnson Distributing at a total cost of \$10,800. This is a non-budgeted expense that will be charged against the contingency line item of the approved 2023 Capital Budget.
- F) Motion: Replace Stand-on Mowers 1-4 (\$40,705.32)** Craig Baldwin moved and Harry Laubach seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the purchase of two (2) 36" Scag mowers and two (2) 48" Scag mowers stands from LL Johnson

Distributing at a total cost of \$38,205.32 with a change order amount of \$2,500, for a total cost of \$40,705.32. This is an approved budgeted line item of \$48,000.

- G) Motion: Replacing Zero-Turn Riding Mower (\$14,778)** Ray Nash moved and Bev Havens seconded the motion that passed unanimously, that recommends that the Heather Gardens Association Board of Directors approve the purchase of a Scag Cheetah II 61" Zero-Turn Riding Mower from LL Johnson Distributing at a cost of \$14,778. This is an approved budgeted line item of \$18,000.

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

The concept that B & F does not communicate very well with the residents of Heather Gardens, and that it would be helpful if we were to publish what are the milestones that are being met or not being met was discussed by the committee.

It was suggested by CFO Counts that he could prepare a summary for publication in the Heather n Yon, the official monthly publication for Heather Gardens, or via Pileria. He explained that last year, he intended to start a program for residents, that would be a forum for explaining what a Balance Sheet is, for example, and how it works for our organization. The purpose for this type of forum, is that **"there are no stupid questions."**

It was further expressed by the committee, that if the residents want more information regarding the financial information of Heather Gardens, that it be suggested to the individuals who are requesting more details, that they attend one of the monthly meetings of the Budget & Finance Committee, since the pertinent information is thoroughly reviewed monthly. It was also noted that the financial information is available at any time on the Heather Gardens website.

The meeting was adjourned at 12:01 p.m.

The next meeting of the B&F Committee will be held on:

**Monday, March 20, 2023, at 10:00 a.m.
in the Board Room and via Zoom.**