

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE
JANUARY 16, 2023, MEETING REPORT
COMMITTEE MET IN BOARD ROOM
MEETING 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 Rae, CEO; Jerry Counts, CFO.

Audience: Approximately 22 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 guest.

The December 19, 2022, B&F Committee meeting report was accepted with two corrections.

Monthly Operating Analysis Review: Jerry Counts, CFO, highlighted the December 2022 financial statements for HGA and HGMD. All questions were answered. The financial statements presented were preliminary for the month of December and year to date. At the end of January, Jerry will provide updated financial statements which will be sent to the Auditors along with B&F members and the Boards. At the conclusion of the Audit, Jerry will provide final 2022 statements including audit adjustments, if any.

Subcommittee and Other Reports:

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: No meeting was held. The appraisals of HGA property has been completed.

Capital Projects Subcommittee: No Meeting was held. However, a meeting will be scheduled in the near future regarding planning for 2023 actions.

Investment Update: Update by Nice Group. Investment rates were reviewed. Currently US Treasury notes are paying slightly less than 4% for four-year investments. Nearby investments are paying a higher rate of interest than long term. For example, 10-year investments are paying about 3.97% whereas 1 year investments are paying about 4.41%.

HGA currently has \$1.2 M in Money Market account which can be reinvested in US Treasuries Also before July 1st, about \$974,000 of CD's will mature and an additional \$400,000 in CD's will mature before December 31, 2023.

Motion by Nash, seconded by Baldwin and passed unanimously the HGA Treasurer working with the CFO reinvest the \$1.2 M currently in Money Market account into Treasuries and consider doing the same when CD's mature throughout the 2023 year.

Unfinished Business: In future agendas, review of JPM B-1 will be included under unfinished business.

New Business:

- 1) Presentation and discussion on Investment in Maturing CD's by the Nice Group. See notes above regarding Investment Update.
- 2) Bev Havens was introduced and welcomed as a new member of the Committee.
- 3) Motion by Lane, seconded by Baldwin and passed unanimously that the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve Ray Nash's appointment to the Budget and Finance Committee for a seventh year.
- 4) Motion by Baldwin, seconded by Havens that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve carrying forward 2022 spending authority to the 2023 budget year a total of \$71,158 for projects not completed in 2022, as follows:

HGA Project – F787 R&G Equipment Chipper #569. Carry over amount \$20,188.

HGA Project – F788 R&G Equipment Pickup Truck #500. Waiting on Vendor. Carry over amount \$51,330.

After discussion, the following additions were made to the carry forward motion.

HGA Project – F807.8 Security Cameras for Parking Structures. Carry forward amount \$54,496

Project F801 BC&E Parking Structure Recommended Repairs (PS1-PS4) \$500,000.

The additions to the motion were approved by the maker and second to the motion. The motion passed unanimously.

- 5) Motion by Recob, seconded by Nash and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve carrying forward 2022 spending authority to the 2023 budget year a total of \$7,237, as follows:
Project D601 – Clubhouse Update HVAC System Software and Computer \$7,237.
- 6) Information only – The HGA Board will take action at the January 17, 2023, regular Board meeting regarding the three-bid requirement for Parking Structure Repairs and Maintenance.
- 7) The June meeting of the Budget and Finance Committee will be held on Friday June 16th at 10 AM. The Management Office will be closed on Monday, June 19th. Meeting on June 16th will allow the B&F Committee to review financial statements and make recommendations regarding any motion prior to the HGA Board Meeting on Tuesday, June 20th.
- 8) The February meeting of the Budget and Finance Committee will be held on Friday February 17th at 10 AM. The Management Office will be closed on Monday, February 20th, President’s Day.

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

David Kennedy, Chair of the Long-Range Planning Committee requested that a member of the B&F Committee volunteer to serve on the Long-Range Planning Committee. The committee is requesting 1 member from each of the standing committees serve on the Long-Range Planning Committee.

The meeting was adjourned at 12:15 PM. The next meeting will be on February 17, 2023, at 10 AM in the Board Room and via Zoom.