

IHCA Finance Committee Meeting Minutes

January 10, 2023 | 5:30 pm – 6:30 pm

Zoom Meeting ID: 898 6370 7959

Members Present: Sanjay Mahajan, David Ngai, Ali Spietz, Jason Bone, and Ryan Hamilton

IHCA Staff Present: Sarah Hoey, Kristyn McKinnon, and Blair Krieg

CALL TO ORDER

Chair Sanjay Mahajan called the meeting to order at 5:34 pm.

TREASURER'S REPORT

November 2022 Draft Finance Committee Meeting Minutes

It was moved by Ali, seconded by David, to approve the November 2022 Finance Committee Meeting Minutes, all present voted aye, motion carried.

November 2022 Draft Board of Directors Meeting Minutes

Provided for informational purposes only.

October 2022 Financial Statements

- **Favorable** budget variance is **\$91K** (**\$1K** change from last month) mainly due to **\$75K** favorable variance in Payroll/Benefits (down 2 landscape/ maintenance & 1 CM employee and lower benefits participation), **\$11K unfavorable** variance for non-contract Landscape due to storm cleanup; and **\$27K** net favorable variance for accounts under \$10K.
- **AR** decreased by **\$1K** to **\$19K**. Total AR is **\$3K** higher than the same period last year. Base and neighborhood assessments and legal are higher than last year, while late fees and violations are lower. The 2 “barc/carc” violations are **\$56K**.
- **Regular Collections** increased by one account to 5 accounts totaling **\$9K**, which is **49%** of regular **AR**.
- No accounts are over the FDIC limit.

It was moved by Ali, seconded by Jason, to approve the October 2022 financial reports as presented, all present voted aye, motion approved.

November 2022 Financial Statements

- **Favorable** budget variance is **\$98K** (**\$7K** change from last month) mainly due to **\$75K** favorable variance in Payroll/Benefits (down 2 landscape/ maintenance & 1 CM employee and lower benefits participation), **\$11K unfavorable** variance for non-contract Landscape due to storm cleanup; and **\$34K** net favorable variance for accounts under **\$10K**.
- **AR** decreased by **\$1K** to **\$18K**. Total AR is **\$6K** higher than the same period last year. Base/neighborhood assessments and legal/late fees are higher than last year, while violations are lower. The 2 “barc/carc” violations remain at **\$56K**.
- **Regular Collections** remains at 5 accounts totaling **\$12K**, which is **66%** of regular **AR**.

- IHCA main operating account and Supplemental operating accounts are over the FDIC limit due to actions from the bank. This overage is covered by a bond that they opened for us, so we will not be penalized. They were supposed to close the regular sweep account and open another ICS account, but then they told us in December that this could not be done and they would re-open the sweep account which they did, but did not start sweeping the money from the main operating account until January 2023. We will be given interest for the period.

It was moved by Jason, seconded by Ali, to approve the November 2022 financial reports as presented, all present voted aye, motion approved.

NEW BUSINESS

Reschedule 2/14/23 V-Day Meeting

The Tuesday, February 14, 2023 meeting will move to Wednesday, February 15, 2023 due to Valentine's Day.

Welcome New Finance Committee Member

The BOD approved Ryan Hamilton's application for the Finance Committee in November. Committee members and staff welcomed Ryan to the Committee.

Grand Ridge Drive - Mailbox Replacement

It was moved by David, seconded by Jason to approve the reserve expense for \$2,557.05 for replacement of the mailbox on Grand Ridge Drive, all present voted aye, motion approved.

Crofton at Village Green 29/30/40 - 2325 NE Park Drive - Building Repairs

It was moved by David, seconded by Ali to approve the reserve expense of \$13,586.34 for the building repairs at Crofton at Village Green 29/30/40, all present voted aye, motion approved.

Power Broom for Snow and Sidewalk Cleaning

It was moved by Ali, seconded by Jason to approve the expense of \$5,138.92 for a power snow broom from the year end allocation originally intended for outdoor fitness equipment expense of \$95k, all present voted aye, motion approved.

Replace Vault Farm Fence

It was moved by David, seconded by Ali to approve the reserve expense of \$10,850.00 to replace the vault farm fence, all present voted aye, motion approved.

23-24 IHCA Master Budget Review

Executive Director Sarah Hoey presented the draft 2023-2024 master budget for the Committee's review. She reviewed the following budget assumptions:

- **Income:** Assessments \$972; a \$12 increase annually, \$1 per month per unit as planned.
 - Overall income increases by 2% due to increase in annual HOA assessments.
 - Decrease in Escrow fees for 23/24 based on decrease in home sales because of increasing interest rates.
 - Increase in ARC review fees which will be a direct result of closing out the remainder of the Westridge neighborhood: Westridge TH North, Westridge SF North, High Street Linear Park, trails, etc.
 - Increase in Shared Costs due to higher-than-normal CPI index.

- **Expenses:**
 - Total overall expense increase: 4%
 - Landscaping Department – 3% overall increase.
 - Maintenance Department – 3% overall increase.
 - Accounting Department – 4% increase based off of payroll and benefits
 - Total Administration/ Community Management Department – 6% increase overall.
- **Overall:**
 - Overall budgeted income: \$3,821,746
 - Overall budgeted expenses: \$ 3,514,246
 - Contingency fund: \$21,302, adjusted to achieve zero net
 - Reserve contribution: \$307,500, per base line funding goal
 - Reserve fund percent funded estimate

IHCA Long-Term Planning Analysis

Executive Director Sarah Hoey presented the analysis of the 5-year long-term financial planning for the Committee’s review. The plan includes a \$12 increase (\$1 per month, per home) each year for the next 5 years.

Contract Management Policy Discussion

Executive Director Sarah Hoey spoke to the Committee regarding the contract management policy and the difficulty in getting contractors out to bid. Staff are having contractors bid on large proposals when they finally come out and are struggling to get additional bids.

ADJOURNMENT

Chair Sanjay Mahajan adjourned the meeting at 6:36 pm.

NEXT MEETING

Wednesday, February 15, 2023, from 5:30-6:30 pm.