

# Finance Committee Meeting

## Minutes – February 8, 2010

The meeting was called to order by Chairman Gary Rife at 2:00 pm in the Conference Room of the TEPOA office.

Committee members present: Bill Goehring, Mary Greene, Richard Peters; Chairman Gary Rife; Sue Smith, Co-Chair Charlotte Venekamp and Jim Wright. Art Olson and Jack Rathwell were absent. Peter Humleker has resigned from the committee.

Board Liaison Sue Johnstone was present.

Guests present: Dianne Mienk, Bernie Karcheski, Coreen Salter, Bob Mazurek, Marie Robicheau and Sandy Waack.

Staff present: General Manager Duane Krause, Accountant David Hines, and Administrative Assistant Deborah Levitan, who recorded the minutes.

*A motion was made by Richard Peters and seconded by Bill Goehring to approve the minutes of the January 11, 2010 meeting as distributed. The motion carried unanimously.*

### **OLD BUSINESS**

**O-01 – Management Letter Activities** – General discussion about the draft manual for procedures; Gary Rife, Richard Peters, Charlotte Venekamp, Sue Johnstone and Accountant David Hines will meet with the CA Banc representative to review cash handling. A request has been made by GM Krause to obtain the risk assessment checklist from the auditor. A document list will be developed for current or future auditors, and risk assessment guidelines will become part of the procedures manual. Discussion about how the new reports will be generated; Accountant Hines is working on the formats with 2010 Board Treasurer Sue Johnstone. Chairman Rife suggested that visuals be used at a POA/BOD meeting to familiarize residents with new reporting methods once they are in place. The Finance Committee will review the new reporting format when it is available. Informational only; no action taken.

**O-02 – Investment Plan and Banking Status** – The investments with CA Banc were reviewed. A separate reserve checking account has been set up to reduce the number of transfers from the MMA account. General discussion about investment limits and interest rates.

### **NEW BUSINESS**

**N-01 – Funding Requests** – General Manager Krause gave some background on the #3 heater replacement at the pool complex and is awaiting additional information on high-efficiency units. The purchase of the more expensive high-efficiency heater would likely prove less expensive in the long run as it may prolong the life of the other standard heater units. The Maintenance Committee is currently researching this issue and for the time being, the remaining three gas heaters are sufficient. With warmer weather on the way, replacement at this time is not an emergency and the request for funding is being postponed.

**N-02 – Cash Flow discussions** – There was general discussion regarding the Reserve Study, including cost of outsourcing generation of the report, which could cost TEPOA as much as \$8,950. Currently, GM Krause is able to produce the report in-house using a simple software

program that can be updated as needed. Treasurer Sue Johnstone discussed the various major expenditures facing TEPOA and suggested that funds held in the Uncommitted Reserves are not really uncommitted at all, and wants to make sure that we don't come up short should there be an unexpected emergency.

*Jim Wright moved and Bill Goehring seconded that the Reserve Study continue to be produced using the in-house software program and reviewed by the Finance Committee. The motion carried unanimously.*

**N-03 – Progress Report of budget sub-committees:** A suggested roster of sub-committee members was distributed and sub-committee members were decided for the following areas: **Income** – Dennis Bergquist, Charlotte Venekamp and Art Olson; **Utilities** – Bill Goehring, Sue Smith and Mary Greene, with additional input from Ray Baker; **Reserves** – Jim Wright, Bill Goehring, Sue Johnstone, Sandy Howard and Sue Smith; **All Other Expenses** – Richard Peters and Art Olson. The Finance Committee will not be addressing **Wages and Salaries** until the Board has taken action, at which time it will be passed back to the committee for review. Accountant Hines will update the utility reports to reflect January actuals and provide this information to the **Utilities** sub-committee. A meeting to review the work of the sub-committees has been set for Wednesday, February 24 from 9-10 am in the Conference Room.

### **OTHER BUSINESS**

**Monthly Financials** – General discussion about financial statements and how the early pay of the Golf Course loan has been reported. Treasurer Johnstone would like a written explanation and history from Accountant Hines on this issue.

Treasurer Johnstone gave a brief overview of the Treasurer's Report that will be given at the February Board meeting. Discussion ensued about investments and investment limits.

*Jim Wright moved and Richard Peters seconded that a sub-committee be formed to review investments, consisting of Jim Wright, Gary Rife, Liaison Sue Johnstone and Richard Peters. The motion carried unanimously.*

A guest mentioned that since so many rounds of golf are played each year (approximately 41,000,) that asking for a \$1-2 donation from each player would quickly add up and help fund projects at the Golf Course. It was recommended that this guest complete a suggestion form and turn it in at the office.

*There being no further business, a motion to adjourn was made by Richard Peters and seconded by Bill Goehring. The motion carried unanimously and the meeting adjourned at 3:53 pm.*

Respectfully submitted,  
Deborah Levitan, TEPOA Administrative Assistant