To: Managers, Committee Chairs, Committee Members

Attachment to Agenda for HGMD Audit/Finance Committee September16, 2024

From: Rita Effler, Treasurer

September 10, 2024

Daniel Taylor, president, will be at the meeting Monday, September 16th, to present his preliminary work on the operating budget for 2025.

In the past, in accordance with a Management Agreement which ends December 31st, 2024, HGA presented a Manager’s Operating and Capital Reserve Budget to a joint Budget and Finance committee, at the same time as the presentation of the Manager’s budgets for HGA. Last year HGMD formed its own committee, the Audit/Finance committee. The general manager for HGA, who serves as agent for HGMD, worked with HGMD directors and enterprise managers and staff to develop the 2024 budget.

Though the Management Agreement does not terminate until the end of this year, HGA has ceased many of the services previously rendered as part of the agreement. Consequently, HGMD instigated a lawsuit for early termination of the existing agreement. Delays resulted in the lawsuit for early termination being continued beyond the date of lawful termination. This delay has resulted in additional expense, not just legal fees, for HGMD.

The Agent for HGMD, HGA’s general manager, responsible for presentation of the manager’s budget has indicated he is not going to prepare the budget even though under contract to do so. Statute says he must present it by October 15th. We have engaged a new accounting firm in the event the budget is not prepared per contract.

HGMD relies on the Recreation Fee(rec fee) collected by HGA from its HOA members to subsidize the costs to run a golf course, restaurant, clubhouse and other amenities. The HOA collects, per the declaration, those fees so that members of the HOA have access to the facilities. In the past the budgets for HGA and HGMD were done simultaneously so that HGA would know how much to collect as the rec fee and include it in the other costs of being a member of the HOA. To be fair to our constituents, we promised no increase in that fee this year. HGA knows that the fee will be exactly the same as they calculated in 2024.

The Audit/Finance committee will meet Monday, September 16th. Please alert your appropriate Director, chairman, representative or come yourself with your committee’s recommendations for fee increases, revenue opportunities, wants and needs. Please be prepared. Our committee has no clue as to what is being done to prepare the HGMD budget. We will reconnoiter after the conclusion of the budget workshops scheduled 9AM-4PM on September 22-26.

No matter what happens December 3rd , I am responsible, as Treasurer, for the timely presentation of a Budget to the Board of Directors of HGMD, before October 15th, 2024.

If you already have fee increases approved, wants and needs, and/or capital requests, please email me as soon as possible.

Chairs, Managers, Directors, Club Presidents: We need input from your people.