

**HEATHER GARDENS BUDGET & FINANCE COMMITTEE  
SEPTEMBER 19, 2022, 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 (excused absence), Harry Laubach (excused absence), Ray Nash, Randy Lane, Richard Ferguson, and John Recob

**Staff:** Jon Rea, CEO; Jerry Counts, CFO.

**Audience:** Approximately 25 residents, including HGA Board Members and HGMD Board Members

**Welcome and Chair Comments:** The B&F Committee meeting was called to order at 10:02 AM. A quorum was established. Co-Chair Hostetler welcomed all members and residents present.

The August 15, 2022, B&F Committee meeting report was accepted as presented.

**Monthly Operating Analysis Review:** Jerry Counts, CFO, reviewed the August financial statements for HGA and HGMD. All questions were answered.

**Subcommittee and Other Reports:**

Audit Subcommittee: Report was reviewed.

Insurance Subcommittee: There will be motions discussed under new business. The final property insurance rates for the year beginning October 1, 2022, have not been received. Anticipated to be received prior to the 2023 budget workshops.

Capital Projects Subcommittee: Extensive report is attached to the packet.

Investment Update: No update at this time.

**Unfinished Business:** None

**New Business:**

- 1) Information was presented regarding an emergency project for retubing a boiler in building 242 at a cost of \$23,558. No action was required nor taken by the Committee as this was an emergency project.
- 2) Motion by Lane seconded by Recob and passed unanimously the the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the motion to defer certain capital projects so other projects could be financed with funds from the deferred projects. Listing was attached to the motion.
- 3) Motion by Lane, seconded by Nash and failed by a vote of 1 in favor, 2 against and 1 abstaining that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve increasing the insurance coverage for Directors and Officers, Employment Practices Liability, Fiduciary Liability and Primary Crime from \$1,000,000 to \$2,000,000 with a deductible of \$25,000 and \$10,000 deductible for Employee Dishonesty for and annual renewal cost of \$23,983. HGA Insurance renews on October 1<sup>st</sup> of each year.
- 4) Motion by Lane, seconded by Recob and failed by a vote of 1 in favor and 3 against that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve the increased insurance coverage of Cyber Liability to \$2,000,000 with a deductible of \$10,000 for an annual renewal cost of \$9,615.05. HGA insurance renews on October 1<sup>st</sup> of each year.
- 5) Motion by Lane, seconded by Recob and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors approve Kroll, LLC to preform an appraisal of the Heather Gardens Association complex in early 2023 for a cost of \$13,000.
- 6) Motion by Recob, seconded by Lane and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Association Board of Directors and the Heather Gardens Metropolitan District Board of Directors approve the revisions and update the Budget and Finance Internal Audit Program JPM B-3, last updated on November 16, 2021 (HGA) and December 23, 2021 (HGMD).
- 7) Motion by Recob, seconded by Lane and passed unanimously that the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve the contract with AJI Fence for new cantilever gate(s) for the entrance to the HG Maintenance Parking Lot. The contract amount is \$18,695 with a change order of \$2,572, resulting in a total project cost of \$21,267.
- 8) Motion by Lane, seconded by Recob and passed unanimously the the Budget and Finance Committee recommend that the Heather Gardens Metropolitan District Board of Directors approve the purchase of a used Toro Truck and Dakota 3300D Top Dresser from Potestio Brothers Equipment at a cost of \$15,000. This is unbudgeted however a budget item for a tractor with forklift and backhoe (\$48,873) will not be needed.

**Members of the audience wishing to speak on non-agenda items: None**

The meeting was adjourned at 11:48 AM. The next meeting will be on October 17, 2022, at 10 AM.