



Somerset Owners Association
FINANCE MEETING RECAP – Monday, May 7, 2018

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MEMBERS PRESENT: Ray Lee, Ryan Burns, Joe Fadrowsky & Maryann McKinley, Matt Rasmussen

HOMEOWNERS PRESENT: Tom Fitzgerald, Jason Roland, & Tiffany Roland

OTHERS PRESENT: Marshall Johnson & Paul Cutter

MANAGEMENT PRESENT: Tracy Carter & Bernadette Rodas

1. Call to Order and Introductions for the Monthly Finance

Ray Lee called the meeting to order at 4:00pm.

2. In-Person Meeting with Marshall Johnson – Discussion on HOA Property

Marshall J. was present and noted that there has been little interest regarding the lot and recommended reducing the price by \$5,000 in order to spark interest. \$3000 in assessment. 60-days provide an update. \$587 in property tax, 83 days sold for 45K, 80K sold for 70K. Ray comment, doesn't seem to have much experience in selling lots.

MOTION: Joe F. recommend to the board to reduce price to &79,900. Maryann M. seconded. Motion carried unanimously.

3. In-Person Meeting with Paul Cutter (USB Rep) – Discussion on Current Investments / CD's

Paul Cutter was present and provided a quick background. Paul provided the committee with the current accounts and noted that looking forward the HOA is making money at a rate of return of 1.6%. Paul noted that there is about \$310,000 in cash matured in March, contacted with Ryan D. at the time to notify him of the maturity date. This is still pending and sitting in a Money Market account. Currently the values on CD's have declined with an average of 2.25% on a 2.1 years term. Discussion ensued.

4. Approval of the April 9, 2018 Meeting Recap

MOTION: Ryan B. made a motion to approve the April 9, 2018 Finance Committee Meeting Recap. Joe F. seconded. Motion carried unanimously.

5. Homeowner Comments for Items on the Agenda: In accordance with the Associations Parliamentary Procedures, please limit comments to a maximum of 3 minutes per unit.

- Tiffany R. noted that there may an error with the common area reserve fund – reimburse not matching up

6. Overview of February 2018 financials

a. Manager's Report and response to previously provided questions of committee members variances from budget –

Committee inquired if they should be reviewing the Town Square in the financials. Management will check with Michael regarding separate accounting. Ray Lee noted that the loan amount is not adding up to 6 million on pg.16 and is off by \$35K.

b. Approve February 2018 Financials – subject to audit

MOTION: Joe F. made a motion to recommend board approval of February financials. Ryan B. seconded. Motion carried unanimously.



7. Contracts & Special Project Overview

Committee completed an overview. Joe F. would like an invitation to the tree mapping meeting. Committee discussed MEA landscape projects and whether the amount should be paid out of operating and/or reserves.

MOTION: Maryann M. made a motion to move forward on the MEA landscape projects and to be paid out of operating. Joe F. seconded. Motion carried unanimously.

8. Old Business-“Business that has been approved and requires discussion”

a. Swimming pool slide initiative update

RFP's were sent out to vendors on Monday, April 30, 2018 to have bids for review at the May board meeting

b. Status of Loan Consolidation Initiative

Payment breakdown was provided to committee.

c. Status of Rockwall repairs

All repairs are completed. Seth is working with Reno Green on homeowner landscaping.

d. Review Spreadsheet on YTD Cost for Rockery Wall Repairs & Legal Expenses

Committee reviewed report.

e. Update on Obtaining additional bids for “The Cut” Project

An additional bid was received from Aspen Earthworks and reviewed at April's board meeting for a total of 41,660. The Board elected to approve EPS for \$15,500.

f. Review / Update the Investment Policy

Ray Lee noted that he no additional any changes needed; however, the policy requires the committee to review once a year. No other committee members had changes.

MOTION: Joe F. made a motion to recommend board approval of Investment policy. Maryann M. seconded. Motion carried unanimously.

9. New Business - “Business that needs approval or consideration for future implementation”

a. 2017 Audit – prepared by Hilburn & Lien

Committee has not had a chance to complete a full review. Joe F noted that the association does not have “real property” and the “declarant” verbiage be removed. SGCC / TCTC categories should be included on page 74. Committee will provided comments via email to management. Management will prepare a phone conference call with Phil Batmen to address comments.

b. Wintercreek Erosion & Drainage Channel Maint. Proposal

Matt R. noted that the proposal is not clear or things are missing from the scope of work. There is no mention about adequate watering or warranty verbiage should it fail. Management will discuss the committee's concerns with Seth P.



c. **Discussion on FirstService Copy Invoice**

Tom Fitzgerald was present and explained why this was being presented to the finance committee. There is an outstanding invoice for \$34,112.90 that was charged to Somerset for the 2017 annual and budget ratification mailer. Ryan B. noted that the charge per copy is being overcharged and would have recommended outsourcing the job. Tracy did discuss the charges with Melissa Ramsey and FSR agreed to reduce the copy cost from .18c to .15c per copy and would provide a credit. Discussion ensued.

MOTION: Joe F. made a motion to recommend board approval FSR copy invoice with the reduced rate at .15c per copy. Ray L. seconded. Motion carried 4:1 with Ryan B. opposing.

10. Committee Member Comments, Questions, and Items for Next Meeting Agenda:

Ray Lee noted that they should start considering formulating a committee to oversee the RFP process for management companies.

Ryan B. and Maryann completed an interview with Joseph Strout and noted that he is recently retired, owns a unit within the Village, has strong CFO background and overall is a great candidate to add to the committee.

MOTION: Joe F. made a motion to appoint Joseph Strout to the finance committee with board approval. Ray L. seconded. Motion carried unanimously.

11. Homeowner Comments: In accordance with the Association's Parliamentary Procedures, please limit comments to a maximum of 3 minutes per unit.

12. NEXT FINANCE MEETING – June 4, 2018 at 4:00pm

13. Adjourn Finance Committee Meeting:

Ray Lee made a motion to adjourn the meeting at 6:35pm. Ryan B. seconded. Motion carried unanimously.