

Finance Committee Meeting Minutes – Revised *

11am, Tuesday, January 17, 2023

KCCA Clubhouse Meeting Room

Present: Mary Delamater (chair), Jim Minor, George Patton, Sherrye Steffens, Mike Ceccanti.

Absent: Gloria Aleksich, Nancy Hardesty.

Guests: Bill Enyart, chair, Greens committee, Jeff Halfman, Greens Supervisor, Pete Carey, chair, House committee, one KCCA resident.

- Golf course bids presented by Bill Enyart and Jeff Halfman: the railroad tie retaining wall on the 7th tee and the railroad tie curbs at various tees are a slip hazard because they are covered in creosote that is slippery when wet. In addition, they are rotting from the inside and are hazard to collapse. We've already had an incident of a golfer stepping on a tie and slipping, and an incident of a golfer stepping on a tie and having the tie collapse.

Jeff and Bill presented the bids from Milroy Golf. The committee asked about other bids, and Jeff said that he has worked closely with this company over the years to improve the golf course. He said he's not sure there are comparable companies to get bids from, plus he feels strongly that this is the best company, as they know the golf course so well and have been such an important piece in its ongoing maintenance and improvement.

The bids are:

- Remove the railroad ties at the 7th tee - \$11,650 (Will require regrading so don't need to replace the ties)
- Remove the curb railroad ties - \$19,500
- Disposal of removed railroad ties - \$5,000

The committee discussed the fact that this work seems very important from a safety standpoint (both the safety of golfers, and protecting the association from possible legal action), and that this is a very large amount that isn't on the approved reserve budget for 2023. The committee identified a couple reserve budget items that could be applied to this project – Irrigation system repairs (\$15,759) and Landscape upgrades (\$4,753). The committee talked about not wanting to continue a bad practice of pushing things out and deferring needed maintenance, but Jeff said he thought that using these items would be OK. This still leaves a significant unbudgeted reserve expense.

The committee voted unanimously to recommend board approval of this bid.

- House committee bids presented by Pete Carey: Pete presented a bid of \$3,700 for abatement of mold and asbestos in one of the closets in the clubhouse banquet room. Jim Minor, who was also involved in getting this bid, talked about how the mold is a safety issue because we store tables in that closet, so staff and residents are often in and out of that room.

Jim said that the abatement will be the initial step, and will take the closet down to studs. At some point we will then need to do replacement work, but this will probably need to take place in concert with some other work that needs to be done on the buildings, which isn't bid out or approved yet. There might also be more discovered during the abatement work.

The committee was concerned that there was only one bid. This wasn't because the contractor was a preferred provider or had a long history with KCCA – they were just the only one of four who called us back. And the committee was concerned about more unbudgeted reserve expense, as this item isn't on the 2023 reserve budget either. Ultimately, the committee felt the amount of the bid was reasonable as compared to

other asbestos abatement work that members were familiar with, and that abating black mold in a public area is important.

The committee voted unanimously to recommend board approval of this bid.

- Review November financials: The committee does not see anything that would preclude the board approving and posting the November financials. The Treasurer will recommend approval at the next BOD meeting.

During this discussion, we had a spirited (but respectful!) debate re: how much financial data the Finance & Budget committee should review in making these recommendations. Each month CAP provides a full financial report (approx. 80 pages) and a distribution summary (approx. 15-20 pages). It's the distribution summary that's ultimately posted to the website for the members.

Some members felt that the committee should get the full financials, or at least part of them, to be better able to track anomalies and recommend corrections. The Treasurer felt that the committee should work from the more limited distribution report, to protect payroll/employee data, to avoid overwhelming the committee members and/or distracting them from other work, and because the expertise level of the committee will vary, so we shouldn't evolve a process that relies on the committee tracking the financials at such a granular level.

The committee came to consensus that we will work with the distribution financials, look for anything that seems off or we have questions about, and send those questions to the Treasurer to follow up on. This, in conjunction with the board members and the bookkeeper reviewing the full financials, should help us identify most issues as they arise, with the safety net of the annual audit by the CPA to find anything that we, the board, and the bookkeeper miss.

- Deferred to next meeting:
 - Insurance discussion
 - Finalize charter
 - Budget overrun process

- Next meeting: 4pm, Tuesday, February 7, Clubhouse Meeting room.

Minutes prepared by chair Mary Delamater.

* These minutes are revised to clarify that, during the presentation by director Bill Enyart and Jeff Halfman to start the meeting, we noticed that there were four board directors present, which would constitute a quorum and thus a potential illegal board meeting. To address this, President Jim Minor instructed director Pete Carey (who was present awaiting his turn to present as chair of the House committee) to refrain from participating in any discussion and only observe. After Bill and Jeff completed their presentation, Bill left the meeting, bring the number of board directors present to three.