

FOREST HEIGHTS HOMEOWNERS ASSOCIATION

Budget and Finance Committee

Meeting Minutes – March 31, 2010– 6PM in the FHHOA Conference Room

Attendees: Chairman Don Bielen, General Manager Stephen Herr, Pam Cavagnaro and Mary Shuhert

Unable to Attend: Sherrill Corbett, Deniz Mamakli, Peter Wilamoski and Marcia Stillwell

The meeting was called to order at 6:20 pm by Chair Bielen.

Minutes

Upon motion duly made and seconded, the minutes of the February 24, 2010 B&F Committee Meeting were approved without corrections.

Manager's Report

Manager Herr reviewed the projected Mill Pond Restoration Project dredging and related costs. The estimated total is around \$500,000. The reserve money set aside for this project is approximately half of the total estimated cost. Additional funds to pay for the project would come from the operating contingency fund with Board approval. The 2011 Reserve Study will be reviewed and adjusted to reflect the projected project costs.

The Miller Hill fence will need to be re-painted again this year. Last painting was in 2007 and the schedule to re-paint was 2011. Manager Herr will look into alternative fence materials and possibly the removal of the fence as suggested by committee members.

Accounts Receivable

As of March 31, 2010 total A/R was \$72,617 down from \$109,620. There are 17 accounts in collections totaling \$26,120. Final notices of assessments due were mailed earlier this week to 58 members. Of those 58 two more residents maybe sent to collection next month. There were approximately 84 owners represented on the A/R list.

Unfinished Business

a. Association Office Lease - Village Center owners rejected the office lease counter offer. Manager Herr will take this issue to the Board. Manager Herr was directed to look at off site leasing opportunities.

b. Audited Financial Statements and Auditors Notes - The first draft of the audited financial statements for December 31, 2009 were reviewed. The committee primarily focused on the "Notes to Financial Statements" presented by the audit firm of Currie and McLain. Manager Herr will verify Note #3 Accounting Policies, Note #5 Significant Concentrations of Credit Risk and Note #9 Uncertainties in Income Taxes. Additionally the committee discussed tax filing forms 1120 and 1120H; they will wait for Dave Schmidt's (Association CPA) tax opinion on how to file yearly association returns. Total excess of operating revenue over expenses after audited adjustments totaled \$168,109 with only an Oregon State tax liability of \$150.

c. Banking Relationships – Manager Herr was unable to complete the banking services analysis for committee review. The analysis will be presented next month. Bank interviews have been completed, with an anticipated change in banking relationships later this spring. Substantial saving and new services will be realized with this change.

d. B & F Annual Review Letter & Report to Membership - Chairman Bielen will draft a letter summarizing the year end audited report for the May newsletter and distribute to committee for review. Bielen will also prepare the report for the annual meeting in May.

New Business (None presented)

The committee's next project will be reviewing collection matters and costs

Next Meeting

The next meeting is scheduled for April 28, 2010 in the Association Office at 6:00 pm.

The meeting adjourned at 8:20 pm.

Stephen Herr
Acting B&F Secretary