

FOREST HEIGHTS HOMEOWNERS ASSOCIATION

Budget and Finance Committee

Meeting Minutes – April 28, 2010– 6:00 pm 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

Guests: Ric Barton and Jay McAlonen were invited to join the committee.

Call to Order:

The meeting was called to order at 6:23 pm by Chair Bielen.

Minutes:

Upon motion duly made and seconded, the minutes of the March 31, 2010 were approved without corrections. It was agreed that the Secretary responsibilities would be rotated through the committee members.

Manager's Report:

The Safety, Streetscape & Transportation Committee (SST) requested \$1,000 of association funds to relocate a PDOT speed sign from Cornell Road to Miller Road. The B & F Committee will pass the request on for Board approval, since no funds were allocated to the project in the 2010 Budget.

The Board approved the landscaping contract for lot 265 from Cascadian Landscape for \$ 47,480. Funds from the operating contingency will pay for this expense. This is a non-budgeted expense and will be posted to the “Neighborhood Improvement” account.

Manager Herr will continue his investigation on replacement materials for the Miller Hill fence.

Auditors Currie and McLain and Association CPA David Schwindt disagree on categorizing the sale of the BETC tax credit. IRS tax filing guidelines do not specifically give guidance on how to treat this transportation credit when filing form 1120H vs. 1120. According to Schwindt filing form 1120H simplifies year end association taxes and McLain states that filing 1120 or 1120H does not cause a material misstatement of the financials. The committee will continue to recommend to the Association that we file form 1120H and that a determination letter from the IRS is not necessary.

Manager Herr reviewed Board discussion on the Mill Pond Restoration Project dredging and related costs. The estimated total is now \$578,120. The reserve money set aside for this project is less than half of the total estimated cost. Additional funds to pay for the project might 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 Board has directed Manager Herr to

investigate the Master Drainage Plan requirements on Mill Pond and then look at alternative options to dredging should dredging not be required.

Unfinished Business:

a. Accounts Receivable - As of April 28, 2010 total A/R was \$61,800 down from \$72,617. There are 17 accounts in collections totaling \$29,419. Final delinquent assessment notices were mailed to 41 members who were delinquent by 90 days or more. There are approximately 67 owners represented on the A/R list or 3.5%. The committee discussed investigating alternative collection practices and will continue to review alternatives hoping to reduce legal collection costs.

b. Association Office Lease - Village Center owners rejected the office lease counter offer. An amendment lease was approved by the Board until 2/28/11. The Board requested that the B & F Committee look at purchase opportunities and present a cost benefit analysis.

c. Banking Relationships – Manager Herr was unable to complete the banking services analysis for committee review. Bank interviews have been completed.

New Business:

The Committee reviewed the non-compiled first quarter financial statements for period ending March 31, 2010. There were no substantial variances in revenue or expense line items; mainly timing issues to budget projections. Compiled reports will be reviewed by the committee bi-annually on June 30th and December 31st.

Next Meeting:

The next regularly scheduled meeting is Monday, May 17, 2010 in the Association Office at 6:00 pm. B & F Committee prioritized topics to address will be; 1) office purchase options, 2) banking relationships, and 3) collection practices.

Adjournment:

The meeting adjourned at 8:26 pm.

Stephen Herr
Acting B&F Secretary