

**MEETING OF THE FINANCE COMMITTEE
MONTEREY DUNES COLONY ASSOCIATION
MINUTES OF THE MAY 16, 2014 MEETING**

Present

Bob Dickinson, Committee Chair
Ted Swanson, Member
Donna Briskin, Member
Art Testani, Member
Tom Bugary, Secretary and General Manager
Susie Heavin, Office Manager and Bookkeeper

Absent

Ted Adams, Member

Welcome

Bob Dickinson, committee chair, called the meeting to order at 3:00 p.m. on May 16, 2014.

Minutes

It was M/S/C to approve the minutes of the March 14, 2014 meeting as written.

Review of MDCA and Water Co. financials

The Committee reviewed the first 10 months of the fiscal year (July – April). Bob noted that the actual operating expenses were approximately \$53K less than budgeted. Tom responded that this apparent budget surplus was mainly due to timing issues and he projected that we would end the year with an approximate \$20-30K surplus.

Regarding the reserve budget, Tom projects ending the fiscal year with a \$100K+ budget surplus due to deferral of budget items.

The Water Co. operating budget appears to be on track with no surplus or deficit and Tom reported that he expects to end the fiscal year in the same way.

Bob noted that we have an approximate \$20K deficit in the Water Company reserve budget. Tom expects an even larger budget deficit at the fiscal year end due to a synchronization problem between wells #3 and #4. The association and consulting experts have been analyzing the system trying to identify the breakdown.

Review bank statements

All bank statements were reviewed without comment. Art suggested that the investment policy be reviewed because he does not feel that we are earning a decent return on our investment. Bob suggested that this item be tabled to a future meeting and Tom volunteered to get Art some literature on how HOA's are allowed to invest their funds.

Old business

Association LED lighting and solar

Tom reported that he has worked out a 2-phase plan through AMBAG to replace the common area lighting with LED (conversion) fixtures. The first phase needs to be completed within a 6-8 week time period in order to maximize rebates so he suggest that the committee ask the Board the following day to approve a \$22K expenditure for the project. The committee reviewed the proposal and also the documentation from AMBAG and voted to recommend approval to the board to spend the funds to complete the conversion project.

The common area solar project was on hold because the LED project needed to be completed before we understood the amount of power we needed to produce from a “solar farm”. Bob requested that Tom have a proposal at the July finance committee meeting complete with a financing request and any necessary meetings of the committee prior to the July 18 meeting could be via conference call.

Individual residence solar is temporarily on hold pending the outcome of discussions with the PUC and the energy companies regarding virtual net metering and a single service delivery points. Hopefully, there will be clarification on these processes and how they can be used to provide solar to the residences from a single distribution point by the next board meeting.

New business

August insurance renewals

The largest insurance due to renew in August is flood insurance; our insurance broker expects the rates to increase by 10%. Bob asked Tom to set up a conference call with our broker to clarify why he expects a 10% increase in the premium.

Audit planning

We will contract with the same auditor that we have used for the past 11 years, to include the company that she merged with last year – Young, Craig, and Co.

Metrics

This topic was tabled until the November meeting.

Adjournment

The meeting was adjourned at 4:30 p.m. The next meeting is scheduled for July 18, 2014 at 3:00 p.m.

Respectfully Submitted

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Thomas J. Bugary CMCA, CCAM
General Manager and Secretary