

## Minutes

# *Finance Committee*

July 14, 2021 @ 3pm

In attendance were Wayne Jaspersen – Chair, Carol Sabatke, Jim Iverson, Kathy Schwartz, Chris Robson – GM, Sam Giefer – Administrative Assistant.

*Monthly Financial Review-* The committee reviewed June's consolidated financial reports. It was noted that several buildings are under the MN Energy even pay program and for the month of June had a \$0 gas expense. There was an overview of the legal fees, having received payments from units in collections and through foreclosure. The garbage contract was discussed that there is a yearly, 3% increase and a change in the contractors as it is now GFL Environmental who picks up trash at the complex. The Grounds account was discussed, along with the length of the current contract with MC Outdoor. Building Equipment was noted to be high, with Building 12 having a large repair to its cooling tower and several buildings purchasing new commercial washers and dryers.

*Quarterly Transfers-* The committee reviewed June's Quarterly transfers. Wayne explained the transfers are calculated based on having 2-months of funding in the checking account and transferring any remaining money to reserves. It was noted that all buildings are having a deposit into the reserves for this quarter. Jim made a motion to approve June's transfers, Kathy seconded. Motion carried.

*Financial Review/Audit Proposals-* Two quotes were received to conduct a financial review in 2022. It was noted that the current software used for accounting currently uses cash basis accounting, and a new software has been investigated that would allow accrual based accounting. Noted that a financial review or audit would be more accurate with an accrual based accounting system and would be following state statutes, also that an audit or review, by law, is required for associations every year. The two firms that quotes were received from were Alan Anderson, Chartered, and Hawkins Ash. After discussion, it was decided to accept the quote from Hawkins Ash for a 3-year contract, conducting a financial review and the option to change to a full audit during the contract as requested. Motion to accept the contract from Hawkins Ash made by Kathy, Carole seconded. Motion carried.

*Software Proposal-* The pricing of the current software, Propertware and Buildium, noting that Buildium will be more expensive but will have accrual accounting, and a flat fee per month rather than a fluctuating fee that Propertware has. An estimated timeline to transfer data from the current system to Buildium would take approximately 90 days, and could potentially have a January 1<sup>st</sup> implementation to help with yearly reports going into 2022 as annual meeting are now planned to be held in February or March to include an entire year's of financial reports. Jim made a motion to recommend switching the software to Buildium, Kathy seconded. Motion carried.

*Caretaker Salary-* It was mentioned at a previous RAMB meeting that caretakers should get an increase in their salary. There was discussion on the differences in the building size, and certain job duties for the difference in salaries. It was noted that end of the year bonuses are decided by each building for caretakers, and the salary is a budget item that should be tabled until budgets are starting to be made later in the year. No decision was made on caretaker salaries or bonuses.

With nothing further to discuss, the meeting was adjourned at 4pm.

In summary, the Finance Committee proposes the following motions be made at the next Master Board meeting:

1. To approve the attached June Reserve Transfers.
2. To approve the proposal from Hawkins Ash CPA for a 3 year contract that includes a financial review, and the option to change to an audit upon request
3. To recommend the accounting software being used changed to Buildium.

Respectfully,

Sam Giefer