

Gibson's Grant Homeowners Association
Finance Committee Meeting
October 23, 2020
1 PM

Members present: Chair Jamie Kinsel, Tom Beery, Tom Daly, Art Ebersberger, Bill Wood

The Committee reviewed the September 2020 Balance Sheet and Income/Expense Comparison to Budget figures. Most of the YTD variance in actual to budget is a matter of timing.

As per previous Board authorization a further \$50,000 of reserve funds will be invested in a one year CD at .8% with Capital Bank MD. Tom Beery researched the bank with Bauer Financial – it is rated 4 stars with 5 stars being the highest possible. A total of \$150,000 reserve funds are now in CD's with another \$182,650 in a money market account.

The 2019 audit review is currently taking place.

Jamie & Todd met last week – as operating cash balances allow the balance owed to the reserve fund accounts from operating accounts is being addressed.

Homeowners have been mailed the 2021 Draft Budget along with an invitation to the November 12 virtual meeting. The Budget, Cash Management Policy, and updated 2020 Reserve Study will be on the agenda. These documents have all been posted on the GG website.

2021 Draft Budget

The 2021 budget draft uses 255 HO units (247 in 2020) for revenue and expense calculations. Updated Reserve Study figures incorporated. Two shoreline bulkheads are now included. Income assumes zero developer subsidies.

Changes from previous year:

Reserve categories to be consolidated to four broader line items – Roads, CBEC, Storm water, Pooled (all other common area reserve items).

Contingency funds are budgeted (bldg. maint. 5K, grounds 5K, environmental 10K, utilities 1,500, Admin misc. 5K).

Committee Recommendations for Board Consideration

Pavilion rental increase from \$25 to \$100 – note clubhouse bathrooms are involved.

Require the same capital contribution from buyer on resales as what is currently required from buyer on new construction sales – there were eight resales in the month of September alone. It took January to September for there to be eight new construction sales. As we approach build out the existing revenue source will end which will in turn pressure HOA fees to rise.

The Committee endorses amending the Declaration to have sidewalk maintenance (other than for common area walkways) revert back to the homeowner as originally stated. Adding all community walkways to the reserves as well as budgeting for maintaining them would significantly increase HOA fees.