

**HERONS GLEN RECREATION DISTRICT
JOINT BOARD AND FINANCE ADVISORY COMMITTEE
Monday, January 27, 2020
Minutes**

| FINANCE ADVISORY COMMITTEE | PRESENT | BOARD MEMBERS | PRESENT |
|-----------------------------------|----------------|---------------------------------|----------------|
| Chair Ron Glasgow | - | Chair Don Misener | X |
| Vice Chair Ron Turcot | X | Vice Chair Howard Young | X |
| Tom DeLache | - | Treasurer Jayne Schwarz | X |
| Tim Gies | X | Secretary Mary Ann Polvinen | X |
| Mary Koenig | X | Asst Sec/Treas William Kulkoski | X |
| Dennis Popp | X | OTHERS | |
| Douglas Schuler | X | GM J.B. Belknap | X |
| AUDITORS | | Controller Lynn Garcia | X |
| Nathan Phillips, CPA | X | Exec Assistant Wendy Shea | X |
| Shannon Huber, CPA | X | Residents | 0 |

I. CALL TO ORDER –Vice Chair Turcot called the meeting to order at 9:30 a.m.

II. ATTENDANCE – Attendance was taken by Executive Assistant Wendy Shea.

III. APPROVAL OF MEETING MINUTES (December 9, 2019)

Mary Koenig made a motion to approve the December 9, 2019 Finance Advisory Committee minutes as presented. Dennis Popp seconded the motion. A vote was taken and the minutes for December 9, 2019 were approved.

Vice Chair Turcot introduced Douglas Schuler as a new Finance Committee member taking the place of Bill Paris. Douglas Schuler gave a brief introduction of himself to the committee. He has been a resident of the Glen since 2004 and has served as a Supervisor, various committees such as Facilities, AED and the Restaurant Remodeling.

IV. RESULTS OF FY2019 HGRD FINANCIAL AUDIT – Philips Harvey Group

Vice Chair Turcot introduced Nathan Phillips and Shannon Huber of Phillips Harvey Group to the Board and the Finance Committee. Nathan Phillips and Shannon Huber of Phillips Harvey Group made a presentation to the Board of Supervisors and the Finance Advisory Committee on the September 30, 2019 audited financial statements. (See attached report from Phillips Harvey Group). Audit Findings: Nathan Phillips stated that management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The significant accounting policies used by Herons Glen Recreation District are described in note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2019 or 2018. Phillips Harvey noted no transactions entered by the District during the years for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Phillips Harvey Group identified no material weaknesses and they issued an unqualified (or clean) audit opinion for the District. Mr. Phillips stated that the financial statement disclosures are neutral, consistent, and clear. Phillips Harvey Group had no significant difficulties in dealing with management in performing and completing their audit. Mr. Phillips went through the entire audit results with the Board and Finance Committee section by section highlighting notes of interest. Some items brought up

included: the District is in a strong cash position as far as cash, the District is investing better, liabilities are consistent, payroll is consistent, Food & Beverage cost of sales and labor dollars are very good, deferred revenue is up, the bond is in compliance, revenues are up and benefits stayed consistent.

V. DISCUSSION OF AUDIT AND RESULTS - Mr. Phillips believed that the District should do a Capital Reserve Study and have a Strategic Plan in place to capitalize the District properly for the future. Treasurer Schwarz asked if Phillips Harvey proposed any adjustments and if so, define the adjustment. Mr. Phillips stated that the resurfacing of the pool was reclassified from deferred maintenance to a capital improvement. After discussion, Phillips Harvey will reverse their adjustment and return the pool renovation as deferred maintenance. Treasurer Schwarz asked if the auditors were alerted to anything during the audit that the Board and Finance Committee should know. Mr. Phillips stated no there was nothing that alerted them that should be communicated to the District. Supervisor Young asked Mr. Phillips if he could inform the Board as to what level the Capital Reserves should be as a percentage of revenue. Mr. Phillips stated that he would have to investigate that and get back with him in about two weeks. Vice Chair Turcot asked if the bank reconciliations were being done in a correct and timely fashion. Mr. Phillips stated that the bank reconciliations were being done correctly and in a timely manner. Vice Chair Turcot stated that he plans on requesting from the Board of Supervisors that a Finance subcommittee be formed to meet with the auditors quarterly without management present. The committee thanked the auditors for the presentation and took a five-minute break.

VI. FY2020 YTD FINANCIAL HIGHLIGHTS – GM Belknap presented a Finance Report of the first quarter of the 2020 fiscal year. (See attached report) Highlights included a comparison of the current fund balances from the current year to last year, first quarter variances from actual to budget, key drivers of favorability in Non-Golf and Golf, a chart showing favorability (unfavorable) to budget percentage by department, and first quarter restaurant sales in lounge and restaurant. The committee questioned whether there is continuous training of staff regarding the use of the tablets in the restaurant. GM Belknap stated there is continuous training by Jason and Kim and that some servers are more adept to using the tablets than others. He will speak to Jason and Kim about the tablet learning curve and the idea of using a stylus pen with the tablets.

VII. OLD BUSINESS – No old business was discussed.

VIII. NEW BUSINESS – Supervisor Kulkoski asked if a summation report of the audit can be put together to send out to the residents of the Glen.

IX. ADJOURN FINANCE/BOARD OF SUPERVISORS MEETING – Vice Chair Turcot adjourned the meeting at 11:14 a.m.

X. NEXT FINANCE ADVISORY COMMITTEE MEETING – Monday, February 17, 2020 – 9:30 AM- CR-C

APPROVED:

Approved
Ron Turcot, Vice Chair

January 30, 2020
Date

**HERONS GLEN RECREATION DISTRICT
JOINT BOARD AND FINANCE ADVISORY COMMITTEE
Monday, February 17, 2020
Minutes**

| FINANCE ADVISORY COMMITTEE | PRESENT | BOARD MEMBERS | PRESENT |
|-----------------------------------|----------------|---------------------------------|----------------|
| Chair Ron Glasgow | X | Chair Don Misener | X |
| Vice Chair Ron Turcot | X | Vice Chair Howard Young | X |
| Tom DeLache | X | Treasurer Jayne Schwarz | X |
| Tim Gies | X | Secretary Mary Ann Polvinen | X |
| Mary Koenig | X | Asst Sec/Treas William Kulkoski | X |
| Dennis Popp | X | OTHERS | |
| Douglas Schuler | X | GM J.B. Belknap | X |
| | | Controller Lynn Garcia | X |
| | | Exec Assistant Wendy Shea | X |
| | | Residents | 0 |

I. CALL TO ORDER –Chair Glasgow called the meeting to order at 9:30 a.m.

II. APPROVAL OF MEETING MINUTES (January 27, 2020)

Mary Koenig made a motion to approve the January 27, 2020 Finance Advisory Committee minutes as presented. Douglas Schuler seconded the motion. A vote was taken and the minutes for January 27, 2020 were approved.

III. REVIEW OF CURRENT FINANCIAL POSITION OF DISTRICT - LYNN GARCIA
• FY2020 FINANCIAL OPERATING RESULTS & VARIANCES

Controller Garcia reported cash balances: operating account has \$1,294,794; reserves for deferred maintenance has \$182,017 the capital account has \$1,824,726, the emergency/uninsured/contingency fund has \$432,000, and the Golf Course Improvements fund has \$260,258 for a total reserve of \$2,699,000.

Controller Garcia discussed the January 2020 Variance Report (see Attachment). For the month of January all departments were better than budget by \$23,073 and year to date all departments were better than budget by \$121,951.

•STATUS OF RECEIVABLES

Controller Garcia reported that currently there is one (1) lien and one (1) pending lien. Controller Garcia stated as of 1/31/20 there is a total of \$2,936 in 60+ past due assessments and house accounts combined.

•GOLF MEMBERSHIPS

Controller Garcia stated that the Pro Shop ended the month with 606 golf members, 67 of which are non-resident members. We only budgeted for 53 non-resident members for the year.

IV. MANAGEMENT OPERATIONS COMMENTS – J.B. BELKNAP

GM Belknap presented a report to the Finance Committee of the YTD Variances – Actual to Budget and the key drivers of favorability. (See Attached Report). The YTD Actuals are \$121,951 favorable to budget. The key drivers of the favorability of Non-Golf are favorable payroll numbers in food and beverage and sales up in the lounge and dining room. Key drivers in Golf is increase membership revenue and in member guest and public play.

GM Belknap reported on the opening of the Fitness Center on Friday, February 14th. The opening went well with well over 1500 card or fobs that were issued to residents. The Builder's Risk Insurance has been cancelled and we are now covered with a new policy for the fitness center building and liability. The lobby has been vacated and Dan Parker and his crew will be cleaning and painting the lobby before bringing the furniture that is presently in storage back to the lobby.

Discussion ensued on what the strategy will be on the golf memberships when the 2021 Golf Renovation begins. Discussion included: Start date of the renovation, price of the membership being reduced or kept at current level, helping to get reciprocals prices reduced for members, possibly stretching out the completion date, the hiring of a Construction Project Manager for the HGRD and the financial impact of the closing for the golf course renovation. Chair Glasgow requested that Mary Koenig work with GM Belknap and Controller Garcia to work on putting together the golf dues structure for the upcoming 20-21 season and report back to the Finance Committee.

V. OLD BUSINESS – Status of Projects

Ron Turcot has been working with GM Belknap and Controller Garcia concerning cleaning up the fixed assets. The HGRD has hired Club Benchmarking to review all the fixed assets (\$2,500 and up) and create a ledger control. Treasurer Schwarz still has to complete the inventory and possible write-off of pumps and fitness equipment. As the new Fitness Center is complete and equipment moved out of storage, this activity will be complete before Club Benchmarking begins work in April.

VI. NEW BUSINESS – Update on Meeting with Bond Professionals – Ron Glasgow

Ron Glasgow informed the committee that the HGRD has hired two professionals to help with the bond issue. Financial Planners Bill Reagan and Hank Fishkind have been hired to help with the Bond Issue and be the moderators for the Town Hall meeting. Discussion ensued on the Bond Town Hall meeting and the referendum. Chair Glasgow asked the Finance Committee members to help with the counting of the ballots and working with Controller Garcia in March. Chair Glasgow handed out the following to the committee for review: a Bond Project listing of projects and their costs as of February 11th, 2 spreadsheets of Estimated Sources and Uses of Funds for the Bond, a Presentation of the proposed Refunding of Series 2006 Bonds and New Money Bonds, and an article from Club Business on Capital Planning.

VII. OPEN ITEMS – No open items discussed.

VIII. ADJOURN FINANCE MEETING –Chair Glasgow adjourned the meeting at 11:32 a.m.

**IX. NEXT FINANCE ADVISORY COMMITTEE MEETING –
Monday, March 16, 2020– 11:30 AM- CR-C**

APPROVED:

Approved
Ron Glasgow, Chair

February 19, 2020
Date

**HERONS GLEN RECREATION DISTRICT
JOINT BOARD AND FINANCE ADVISORY COMMITTEE
Monday, March 16, 2020
Minutes**

| FINANCE ADVISORY COMMITTEE | PRESENT | BOARD MEMBERS | PRESENT |
|-----------------------------------|----------------|---------------------------------|----------------|
| Chair Ron Glasgow | X | Chair Don Misener | X |
| Vice Chair Ron Turcot | X | Vice Chair Howard Young | |
| Tom DeLache | X | Treasurer Jayne Schwarz | X |
| Tim Gies | X | Secretary Mary Ann Polvinen | |
| Mary Koenig | X | Asst Sec/Treas William Kulkoski | |
| Dennis Popp | | OTHERS | |
| Douglas Schuler | | GM J.B. Belknap | X |
| | | Controller Lynn Garcia | X |
| | | Exec Assistant Wendy Shea | X |
| | | Residents | 0 |

I. CALL TO ORDER –Chair Glasgow called the meeting to order at 10:20 a.m.

II. APPROVAL OF MEETING MINUTES (February 16, 2020)

Mary Koenig made a motion to approve the February 16, 2020 Finance Advisory Committee minutes as presented. Tim Gies seconded the motion. A vote was taken and the minutes for February 16, 2020 were approved.

III. REVIEW OF CURRENT FINANCIAL POSITION OF DISTRICT - LYNN GARCIA
• FY2020 FINANCIAL OPERATING RESULTS & VARIANCES

Controller Garcia reported cash balances: operating account has \$559,434; reserves for deferred maintenance has \$270,876 the capital account has \$2,183,538, the emergency/uninsured/contingency fund has \$431,940, and the Golf Course Improvements fund has \$260,656 for a total reserve of \$3,147,010.

Controller Garcia discussed the February 2020 Variance Report (see Attachment). For the month of February all departments were better than budget by \$11,882 and year to date all departments were better than budget by \$133833 of which \$97,874 from Golf Operations.

Chair Glasgow asked that on the Balance Sheet the “year to date” heading be changed to show a date not a “picture”. Treasurer Schwarz asked that the financials be spellchecked due to a few errors. Mary Koenig asked that the financial pages be also numbered.

•STATUS OF RECEIVABLES

Controller Garcia reported that there were no significant changes since the last meeting.

•GOLF MEMBERSHIPS

Controller Garcia stated that the Pro Shop ended the month with 604 golf members, 67 of which are non-resident members. We only budgeted for 53 non-resident members for the year.

IV. MANAGEMENT OPERATIONS COMMENTS – J.B. BELKNAP

GM Belknap reviewed the current financials and informed the committee that currently if non-resident golf members join mid-year, they are not afforded a one-time prorated golf membership as resident members are afforded. After discussion, Mary Koenig moved to recommend to the Board of Supervisors that non-resident golf members are afforded a one-time prorated golf

membership. Tom Delache seconded the motion. A vote was taken, and the motion was approved unanimously.

V. OLD BUSINESS – Status of Projects – No Reports Given.

VI. NEW BUSINESS - Ron Turcot informed the Finance Committee that the Bid Oversight Committee met to review the Golf Course Maintenance Equipment Lease Quotes. There were 6 companies that provided quotes. Ron Turcot moved to recommend to the Board of Supervisors DLL Financial Solutions Partner to provide the new Golf Course Maintenance Equipment Lease. The bid was the lowest bid and management approved the company. Tom Delache seconded the motion. A vote was taken, and the motion was approved unanimously.

VII. OPEN ITEMS – No open items discussed.

VIII. ADJOURN FINANCE MEETING –Chair Glasgow adjourned the meeting at 11:08 a.m.

**IX. NEXT FINANCE ADVISORY COMMITTEE MEETING –
Monday, April 27, 2020 with Board of Supervisors – 9:30 AM – CR-C**

APPROVED:

Approved
Ron Glasgow, Chair

March 23, 2020
Date

**HERONS GLEN RECREATION DISTRICT
FINANCE ADVISORY COMMITTEE
Monday, May 11, 2020
Minutes**

| MEMBERS | Present | OTHERS | Present |
|------------------------|----------------|--|----------------|
| | | Jayne Schwarz, Treasurer & Board Liaison | X |
| Tim Gies | X | J.B. Belknap, General Manager | X |
| Ron Glasgow, Chair | X | Lynn Garcia, Controller | X |
| Mary Koenig | X | | |
| Larry Pedersen | X | | |
| Dennis Popp | X | Supervisor Don Misener | X |
| Ron Turcot, Vice Chair | X | Supervisor Howard Young | X |
| | | Residents: | 0 |

- I. CALL TO ORDER** – Supervisor Schwarz called the meeting to order at 9:30 a.m.
- II. WELCOME & INTRODUCTION OF 2020-2021 COMMITTEE MEMBERS** – Supervisor Schwarz welcomed the new addition to the 2020-21 Finance Advisory Committee: Larry Pedersen.

III. ELECTION OF CHAIR AND VICE-CHAIR – Supervisor Schwarz opened nominations for Chair. Ron Turcot nominated Ron Glasgow, and Mary Koenig seconded the nomination. The committee voted unanimously to elect Ron Glasgow as Chair.

Chair Glasgow opened nominations for Vice Chair. Mary Koenig nominated Ron Turcot, and Larry Pedersen seconded that nomination. The committee voted unanimously to elect Ron Turcot as Vice Chair.

IV. COMMITTEE CHARTER & ESTABLISHMENT OF AUDIT COMMITTEE-Jayne Schwarz

Ron Glasgow asked that the committee review the new Charter for the Finance Advisory Committee and asked if there were any changes to the Advisory Roster.

Chair Glasgow stated that due to the approval of the Bond Refinancing, the Bid Oversight Committee will be having more work to be doing in future months when bids need to be reviewed (over \$25,000) for projects. Chair Glasgow asked that Finance Advisory members be willing to meet when available to review the bids. Mary Koenig asked if Bid Oversight will be reviewing all bids from the golf renovation? She stated that the Golf Renovation Ad Hoc Committee has more responsibilities with their new Charter which includes bid oversight. Chair Glasgow stated that although the Bid Oversight Committee is responsible for all bids over \$25,000, the Board of Supervisors can override their responsibilities in some cases. GM Belknap stated that the Board is working on approving a Construction Management Company not an engineer to work with contractors for upcoming projects.

Treasurer Schwarz asked if any Finance Advisory members would be willing to serve on the Audit Ad Hoc Committee. This ad hoc committee was approved by the Board as a result of work by the Auditor Selection committee. Dennis Popp and Ron Turcot were members of the auditor selection committee. She asked that members read the Audit Ad Hoc Charter and if they would like to be considered to let Chair Glasgow know in order to advise the Board. Ron Turcot stated he would like to be on the Audit Ad Hoc Committee since he was the one that suggested its formation to the Board.

V. APPROVAL OF THE MARCH 16, 2020 FINANCE ADVISORY MINUTES –

Ron Turcot made a motion to approve the March 16, 2020 Finance Advisory Committee minutes as presented. Mary Koenig seconded the motion. A vote was taken and the minutes for March 16, 2020 were approved.

VI. MANAGEMENT DISCUSSION OF FY2020 BUDGET AND OTHER OPERATIONS AS A RESULT OF PANDEMIC

- J.B. Belknap

GM Belknap informed the committee that at the last Board Meeting, he and Controller Garcia presented to the Board a Herons Glen Budget Forecast Change presentation. (See attached presentation) They were charged by the Board to reduce the expected \$125,000 budgeted shortfall from June through September by \$75,000. Some of the cost savings were savings in F&B & Golf Shop payroll due to decreased hours on schedule, savings in payroll benefits, reclass pickleball fence and repairs and 8-yr. hydro hood inspection that were normally in Deferred but expensed in O&M, savings of annual maintenance on new website not yet implemented, and other items that totaled \$106,296. After discussion on the presentation, Chair Glasgow asked management to provide the Finance Committee and the Board with the progress of the forecast changes in a consolidated monthly format. Dennis Popp complemented the Board, management, and staff for handling this unusual and complicated Covid-19 issue as best they can.

VII. SCHEDULE OF BUDGET MEETINGS

Tuesday, June 16th - 10:00 AM – 5:00 PM – CR-C
Wednesday, June 17th – 10:00 AM – 5:00 PM – CR-C
Thursday, June 18th – 10:00 AM – 5:00 PM – CR-C
Friday, June 19th – 10:00 AM – 5:00 PM – CR-C

Board Approval of Preliminary Budget – Monday, June 22, 2020 – 2:00 PM – CR-C

All Finance Advisory Committee members are invited to attend the Budget meetings in June and will receive budget financials and updates the same as the Board members receive their copies.

VIII. SERIES 2020 BOND

Public Hearing – Monday, June 15th - 5:00 PM – BALLROOM

IX. SCHEDULE OF FINANCE ADVISORY MEETINGS

Monday, May 11, 2020 – 9:30 AM – CR-C
Monday, October 26, 2020 – 9:30 AM – CR-C
Monday, December 14, 2020 – 9:30 AM – CR-C
Monday, January 25, 2021 (Joint Mtg w/Board- Auditors) – 9:30 AM – CR-C
Monday, April 26, 2021–(Joint Mtg. w/Board-Mid Year Review) - 9:30 AM – CR-C

VI. OTHER BUSINESS –

Supervisor Young stated that the deferred and capital maintenance part of the resident assessments need to be looked at before the Budget meetings in June to determine the total dollar value of the assessment that will be part of the bond. He stated that the golf renovation and the H2B employees are examples of some items that need to be pulled out of the regular budget for next year.

VII. NEXT MEETING – Monday, October 26, 2020 – 9:30 AM- CR-C

VII. ADJOURNMENT – Chair adjourned the meeting at 10:45 a.m.

APPROVED:

Approved
Ron Glasgow, Chair

May 18, 2020
Date

**HERONS GLEN RECREATION DISTRICT
FACILITIES & AMENITIES ADVISORY COMMITTEE
Monday, June 8, 2020
MINUTES
All Participants via Zoom**

| MEMBERS | Present | OTHERS | Present |
|--------------------------|----------------|----------------------------------|----------------|
| Sandra Dresch | X | | |
| Kathleen Duwe | X | Mary Ann Polvinen, Board Liaison | X |
| Andrea Edmunds | X | J.B. Belknap, General Manager | X |
| Barry Hopper, Vice Chair | X | Wendy Shea | X |
| Tiff Lauzau | X | | |
| Steve Lucas | X | | |
| Karen Mars, Chair | X | | |
| | | Residents: | 0 |

- I. **CALL TO ORDER** – Chair Mars called the meeting to order at 2:30 p.m.
- II. **WELCOME**– Chair Mars welcomed all the committee members in attendance via zoom and stated that she hopes the next meeting will be in person.
- III. **APPROVAL OF MEETING MINUTES (5/11/20)** – Chair Mars asked the committee if there were any changes to the May 11, 2020 minutes, and hearing none, the minutes for May 11, 2020 were approved as presented.
- IV. **OLD BUSINESS –**
 - A. **Report on prior concerns referred to Management**
There were no prior concerns that were referred to Management, but GM Belknap updated the committee on a few issues that management is currently addressing.

The Board and Management are slowly opening the activities such as bocce, tennis, yoga, exercise classes and rooms such as the ballroom and activity rooms following CDC guidelines and social distancing. Presently the card rooms are closed.

GM Belknap is currently gathering information including pictures and a narrative to submit to the HGRD insurance company notifying them of the fitness center pipe connection failure so the HGRD can begin the claim process. The break was not with any new pipes but a break between the lift station and the pumphouse. The cost of the break is approximately \$31,000 and the bottom line is that the HGRD will be receiving a bill for something that happened through no fault of our own and the HGRD will be seeking reimbursement from the insurance company for the related costs.

A new Lee County dumpster regulation was just recently put into effect which stated, *“all storage areas/containers must be adequately shielded by solid fencing along at least three sides. Use of chain linked fencing to meet this requirement is prohibited.”* The board approved the quote that Dan Parker secured from Tropical Fence for a white vinyl fence for the garbage/recycling area at the clubhouse, which will provide superior support and will be more aesthetically pleasing.

The pro shop is now open from 7 AM – 2 PM, but we are looking to extend the closing hour to 3 PM. Dan Parker has constructed a Plexiglass shield at the pro shop counter to maintain proper social distancing between residents and staff. Tiff Lauzau stated that the current fee rates for golfing are not on the website. GM Belknap will check into why the current rates are not listed. Discussion was held on retrofitting the 45 golf carts with a plexiglass divider for social distancing. The cost of the retrofit is around \$60 per cart and management would try the divider on 4 or 5 carts. If it is warranted for the season, then more carts would be retrofitted.

Management has been meeting with all department heads the last few weeks to prepare for the upcoming budget workshops and to establish a list of assumptions for the budget meetings. Budget meetings will be held from Tuesday, June 16th through Friday, June 19th from 9:30 a.m. – 4:30 p.m. each day.

Chair Mars informed management that residents are asking when the shuffleboard courts will be re-opening. GM Belknap stated that he will be re-opening the shuffleboard courts tomorrow – June 9th and the information will be relayed to the residents via the Tuesday newsletter.

GM Belknap stated that CMR Roofing has provided the HGRD with a written proposal for replacing the Clubhouse roof for \$250,000. Chair Mars asked if the HGRD needs to get three bids. GM Belknap stated that they have a second bid from Crowther Roofing for \$750,000 and he feels that this proposal from CMR is an assignment of rights not a bid, therefore there is not a need for 3 bids but he will check with Tom Hart and the Bid Oversight Committee. Supervisor Polvinen wants the \$250,000 to be placed in an escrow account and as the work is being done, the roofing company can draw on that account instead of giving them \$250,000.

Tiff Lauzau asked if the Ballroom Grille helped the restaurant revenues the past couple of months. GM Belknap stated that revenue was down 50% the past few months and with the grilles open along with the donations from residents in March and April, the loss was kept down. The golfers and the residents did enjoy the grille and the restaurant provided a service to the residents who did not want to leave the community for food. The restaurant had to cut hours for full time employees and not hire back 3 part time employees to cut costs. Sandra Dresch hopes that the service will attract new patrons to the restaurant when it opens fully.

B. Report on prior issues referred to the Board

There were no prior issues referred to the Board last month.

C. Report on prior issues that required further study

There were no prior issues that required further study from the committee.

V. NEW BUSINESS –

A. Resident concerns/request regarding maintenance, improvement, logistics and safety of buildings and grounds.

1) Request from Butterfly Society for a Butterfly Garden location

The Butterfly Society of the Glen, a recognized activity in Herons Glen and a Florida Non-Profit Corporation, wishes to create a Butterfly Garden on a tract of land owned by the Herons Glen Recreational District. The Butterfly Society provided a Conditional Use Agreement to the HGRD along with photos of the area they would like to create the

Butterfly Garden. The Butterfly Society will complete a detailed design of the proposed garden and submit it to the HGRD Board for approval before any work is commenced. The BS will pay for all the costs related to the creation and maintenance of the BG. The BG will be freely accessible to all residents of HG. The proposed site is between the lake adjacent to the 18th golf fairway and the cart path running parallel to it on the Herons Glen Boulevard. The HGRD and the BSG may terminate the agreement upon 30 days written notice. The committee discussed the proposed site and some of the points included: issue with part of the proposed site is on HOA property, the requests of the BS to refrain residents from walking pets on the BG grounds, and general information on the site in question. After discussion, Barry Hopper moved to recommend to the Board of Supervisors that they support the Butterfly Society to move ahead with the design of the garden located between the lake adjacent to the 18th golf fairway. Sandra Dresch seconded the motion. A verbal vote was taken, and the motion was passed unanimously.

2) Request for a shade cover for the Sailboat Club seating area

Chair Mars informed the committee that they will not be reviewing any information on the Sailboat Clubs request for a shade cover. No additional information was provided to the committee and the request for a shade cover will be bundled into the bond project along with other covers for the community such as bocce and pickleball.

3) Request from the Herons Glen Softball Team

The Herons Glen Softball team has filled out an HGRD Resident's Small Request Form for two additional recycling receptacles to be placed around the Herons Glen facilities. The softball team collects the cans and recycle the cans and use the proceeds to fund the team. The softball team requested three receptacles last year and used the proceeds to obtain new uniforms. The cost of each receptacle is \$69. After discussion, Tiff Lauzau moved to recommend to the Board of Supervisors to approve the Resident's Small Request of the HG Softball Team for 2 additional recycling receptacles at a cost of \$69 each and have management determine the additional locations of the receptacles. Barry Hopper seconded the motion. A verbal vote was taken, and the motion was approved unanimously.

B. Resident concerns/requests regarding recreational activities

There were no concerns/requests regarding recreational activities addressed.

C. Resident concerns regarding recurring problems in the general operation of Golf, F&B, and CLIS –

There were no resident concerns addressed.

VII. NEXT MEETING DATE – Monday, October 19, 2020 – 2:30 p.m. in Card Room C. The committee is willing to meet during the summer if the Board of Supervisors needs their help in any of the upcoming Bond projects.

VIII. ADJOURNMENT – Chair adjourned the meeting at 3:34 p.m.

APPROVED:

Approved
Karen Mars, Chair

June 9, 2020
Date

Committee Email: facilities.amenities@hgrdnfm.com

**HERONS GLEN RECREATION DISTRICT
FINANCE ADVISORY COMMITTEE
August 4, 2020
Minutes**

| MEMBERS | Present | OTHERS | Present |
|--------------------|----------------|-------------------------------|----------------|
| Ron Glasgow, Chair | Vid Conf | J.B. Belknap, General Manager | Vid Conf |
| Mary Koenig | Vid Conf | Lynn Garcia, Controller | Vid Conf |
| Douglas Schuler | Vid Conf | Garrett Gardi, BKS | Vid Conf |
| Ron Turcot | Vid Conf | Jennifer Holland, BKS | Vid Conf |
| | | Residents: 1 | Vid Conf |

CALL TO ORDER – Chair Glasgow called the meeting to order at 1:10 PM.

JOINT FINANCE MEETING WITH BID OVERSIGHT

Employee Health Benefits Insurance

The purpose of the meeting was to review BKS’s options concerning Health Benefits policy identified by BKS. This is the same firm which requested quotes from 5 different carriers, resulting in only Florida Blue offering a quote as well as being competitive. Florida Blue is the carrier currently used by the District to provide employee health benefits.

The original renewal provided by FL BLUE averaged approximately 24% for the 4 plans offered to employees. BKS negotiated the same plans at a renewal rate of 13.2% and identified several alternate options for employees with FB. The District pays either 80 or 85% of plan premiums.

The option recommended by management results in an average premium increase of 9.4% for the 4 plans within the option. This option is estimated to be within amount in FY2021 proposed budget. The HMO plan currently purchased by most participating District employees will require a premium increase of approximately 7%. However, with the other changes in deductibles and co-pays included with the offering, both management and BKS indicated the result will be an overall small increase to employees.

Committee members favorably commented on the presentation and results of the work.

The committee unanimously agreed and supports management’s recommendation concerning the Florida Blue Health Benefits Insurance for employees. The estimated cost will be within the District’s FY2021 proposed budget.

The Chair called for a 15-minute recess in order for all participants to sign into Zoom and request Club House Manager Dan Parker join the meeting.

Fitness Center Equipment and Capital Lease

The purpose of the meeting was to review management’s recommendation to purchase fitness equipment with a new capital lease. Municipal Asset Management is the proposed lessor. The monthly payments of \$260 are included in the FY2021 proposed budget for the District.

Management proposed obtaining four pieces of cardio equipment and one piece of strength equipment from Commercial Fitness. One elliptical and two bicycles are replacements for existing equipment which is obsolete or no longer has parts available. The Functional Trainer and rower are needed due to heavy utilization. Management chose to use Commercial Fitness Products for the equipment and Matrix brand equipment, and both are the same selected for new equipment when the fitness center opened in February 2020.

Management requested fitness equipment leasing from 4 different firms; however only Municipal Assets Management and Crestmark were able to provide the leasing. Municipal Asset Management provided the lowest cost for the 5-year lease.

The committee discussed the concern to continue leasing equipment; however, with the District's \$5,000 capitalization policy no piece of equipment could be purchased under the capital fund plan.

The use of a sole-source supplier was based on previous review of both brands of equipment and equipment suppliers. Since Matrix equipment was previously selected as the best fit for the community, management desired to continue with the product line. The District currently owns Matrix treadmills and bicycles.

The committee unanimously agreed and supports management's recommendation to purchase five pieces of Matrix equipment from Commercial Fitness Products using Municipal Assets Management for the 5-year lease with monthly payments of \$260. The amount is included in the proposed FY2021 District budget.

ADJOURNMENT – Chair adjourned the meeting at 4:15 PM

APPROVED:

Approved
Ron Glasgow, Chair

August 6, 2020
Date

**HERONS GLEN RECREATION DISTRICT
FINANCE ADVISORY COMMITTEE
Monday, October 26, 2020 (All Via Zoom)
Minutes**

| MEMBERS | Present | OTHERS | Present |
|------------------------|----------------|--|----------------|
| Tim Gies | X | Jayne Schwarz, Treasurer & Board Liaison | X |
| Ron Glasgow, Chair | X | J.B. Belknap, General Manager | X |
| Mary Koenig | X | Lynn Garcia, Controller | X |
| Larry Pedersen | - | Wendy Shea | X |
| Dennis Popp | X | | |
| Douglas Schuler | X | Supervisor Don Misener | X |
| Ron Turcot, Vice Chair | - | Supervisor Kulkoski | X |
| | | Residents: | 1 |

I. CALL TO ORDER – Chair Glasgow called the ZOOM meeting to order at 9:30 a.m.

II. WELCOME & INTRODUCTION– Chair Glasgow welcomed the new addition to the 2020-21 Finance Advisory Committee: Larry Pedersen. Supervisor Schwarz introduced David Brendsel to the Finance Committee as one of the members of the Audit Committee.

III. APPROVAL OF MAY 11, 2020 MINUTES – Chair Glasgow asked the committee if there were any changes to the May 11, 2020 minutes. Mary Koenig moved to accept the minutes as presented and Dennis Popp seconded the motion. A vote was taken, and the May 11, 2020 minutes were approved unanimously.

IV. REVIEW OF CURRENT FINANCIAL POSITION OF THE DISTRICT -Lynn Garcia

- FY2020 Financial Operating Results & Variances - Controller Garcia reported cash balances: operating account has \$634,829; reserves for deferred maintenance has \$365,136 the capital account has \$2,451,377, the emergency/uninsured/contingency fund has \$431,452, and the Golf Course Improvements fund has \$425,334 for a total reserve of \$3,673,299.

Controller Garcia discussed the September 2020 Variance Report (see Attachment). For the month of September 2020, the Recreation District was favorable to budget by \$12,423 and ended the 2019-20 fiscal year with a tentative surplus of \$66,726.

- Status of Receivables – Controller Garcia stated that accounts receivable for the year ending September 30, 2020 - \$2,126 delinquent 60+ days. There is one lien for \$1,919.80 and accounting was contacted by a family member that they have received POA for the resident and will start making payments on the account. The resident has Alzheimer’s.

- Golf Memberships – Controller Garcia reported that as of October 24, 2020 there were 486 golf memberships. The budget for golf membership by October 31, 2020 is 510. There are still 48 Canadians or International golf members that are not included in the golf memberships for 2020-21.

- Status of Bond Reimbursements – Controller Garcia presented to the committee a 2020 Series Bonds Requisition Log (See Attachment). The Bond Requisition Log as of September 30, 2020 show \$209,527 requested and received from Bond Trustee to date with \$93,687 pending to be requested from Bond Trustee. Chair Glasgow requested that the Finance Committee be given a bar chart with the estimated costs and current costs to date. Controller

Garcia stated that each project has individual spreadsheets and that she will forward to the Finance Committee.

- Liability Insurance Deductible Review & Balance in Emergency Fund – Controller Garcia presented a new FY21 insurance deductible report (See Attached) for discussion to move funds from the FL Prime SBA Emergency account to the FL Prime SBA Capital Intermediate account to bring the balance in the emergency account down to match the amount of the potential insurance deductible liability of \$227,227 or down to the level indicated in the HGRD Policies and Procedures (See Attached) of \$350,000. After discussion on the liability insurance deductible, the New Owner Capital Fee and when to start moving monies into the Intermediate Capital Reserve, Supervisor Schwarz will consolidate and summarize and update the policy and procedures. She will then send the report to Chair Glasgow to be distributed to the members of the Finance Advisory Committee for possible recommendations to the Board of Supervisors.

V. MANAGEMENT OPERATIONS COMMENTS – GM Belknap presented a Finance Report (See Attached) that showed the end of year variances – Actuals to Budget.

- Golf was \$76K favorable compared to budget. Although we were \$79K favorable in golf memberships, because of COVID, the membership rise was somewhat offset by a \$55K reduction in daily fee & member guest golf fees as well as a \$13K gross profit reduction in merchandise sales. The real favorability driver was the \$45K in Pro shop (cart barn) payroll savings.
- Restaurant unfavorable \$71K. This was expected since it was going to be impossible to cut enough expenses to match the loss of revenue. As you will notice in the revenue line, the residents raised nearly \$27K in donations to keep the service staff whole during the first few months of COVID. Because we are a government entity, HG was not eligible for any government subsidies, so without these resident donations, we would have had to layoff many service staff members. Also, in the expense line, the \$34K in COVID subsidy payments to the service staff for unworked hours was offset by the \$27K in donations which means the District came out of pocket a total of \$7K to make the service staff whole.
- Savings in CLIS payroll accounted for \$41K which counterbalanced other operational losses.

VI. OLD BUSINESS – No old business was discussed.

VII. NEW BUSINESS – Controller Garcia informed the committee that according to CLA our new auditors, the previous auditors made a material mistake in classifying the "Deferred outflows on refunding bonds" in the amount of \$421,091 as "Unrestricted Net Position" instead of as "Net investment in capital assets" as it should've been. "Deferred outflows on refunding bonds" is the unamortized loss amount of the difference between the amount owed on the 1999 Series bonds at the time of the refinancing and the amount refinanced in the 2006 Series bonds.

Controller Garcia stated the HGRD has two choices:

1. We can contact the previous auditors to see if they will agree with the error and agree to restate the FY19 Audited Financial Statements. We would most likely incur additional costs from the previous auditors for their additional work, which is not budgeted if they were to even agree there is an error to begin with.
2. We can present the FY20 Audited Financial Statements as a single-year audit instead of comparison statements with the previous year, which complies with government auditing standards. We would still compare both years in the MDA (Management Discussion & Analysis).

Management has chosen the second option, to present the FY20 Audited Financial Statements as a single-year audit. We have the option of going back to comparison statements in future years if we so choose.

VIII. OTHER BUSINESS – Controller Garcia presented a new lease proposal for replacing the copier/office machine that Administration currently has (see attached proposal) The lease will be up in March of 2021, but Dex Imaging is offering to buy out the remainder of the contract. This gives us the savings early as well as a brand-new advanced version of the machine we currently have with a new monthly lease with an estimated savings of \$98.86 per month. Since we have been with Dex Imaging, we have not had any issues with this copier/office machine. The Ricoh machine we had before this one gave us trouble almost daily. After discussion by the Finance Committee, it was decided that management should try to obtain another 2 bids to see if the Dex Imaging bid is reasonable and there is no significant change in the marketplace. The Finance Committee stated that after management received the other bids; management can sign the new lease. There is no need to return to the Finance committee

IX. NEXT MEETING – Monday, December 14, 2020 – 9:30 AM- CR-C/Zoom-TBD

X. ADJOURNMENT – Chair adjourned the meeting at 10:47 a.m.

APPROVED:

Approved
Ron Glasgow, Chair

October 30, 2020
Date