

**HERONS GLEN RECREATION DISTRICT
FINANCE ADVISORY COMMITTEE
Monday, January 8, 2024 – Minutes**

	Present		Present
Jeff Buxton	X	Jayne Schwarz, Board Liaison	X
David Brendsel	-		
Paul Chipman	X	J.B. Belknap, General Manager	X
Dick Kline, Alternate	X	Lynn Brew, Controller	X
Rita Lehman	X		
Arthur Lippens	X	Wendy Shea, Act. & Ev.Coordin.	X
Larry Pedersen, Vice Chair	X	Supervisor Peter Overs	X
Dennis Popp, Chair	X	Residents:	2

- I. **CALL TO ORDER**
Dennis Popp called the meeting to order at 9:00 a.m. Attendees are listed above.

- II. **APPROVAL OF MEETING MINUTES - December 4, 2023**
Chair Popp asked for approval of the December 4, 2023, Finance Advisory Committee meeting minutes. Rita Lehman moved to approve the December 4, 2023, minutes as presented, and Paul Chipman seconded the motion. A vote was taken, and the minutes were approved unanimously approved.

- III. **MANAGEMENT COMMENTS**
 - **Update on Bond Projects –**
 - Construction and Permits** – GM Belknap stated that the Board of Supervisors approved the hiring of a Private Provider who has helped with the permitting from the county. It has been very difficult getting the permits in a timely manner due to a change in leadership in the Lee County Building Department. The county is asking for new requirements concerning the phasing of multiple projects under a single Limited Development Order that was originally required thereby delaying the permits.
 - Construction & Acquisition Fund-** GM Belknap presented a spreadsheet (See attached) that listed the Bond Project item, the Board Approved Allocations, the monies spent as of 12/20/23, the approved and anticipated future costs, the anticipated total costs, and the variance from the approved allocations. GM Belknap stated that many of the bids came in much higher than when the Bond was first approved in 2020. To date the variance from approved allocations is currently \$80,000 over budget. The Bond project has been started in accordance with the requirements.
 - Use of Copperleaf furniture – costs and plans -** GM Belknap presented a spreadsheet (see attached) that listed all the furniture for the restaurant, lobby, pool area and card rooms that we received from Copperleaf. The District purchased restaurant furniture, but to obtain those pieces we had to take all the items that Copperleaf was discarding. If we had purchased the items new, we estimated that it would cost over \$750,000 based on today’s prices found during research. We are still expecting more furniture from Copperleaf once their 22-million-dollar renovation is

completed. This is furniture, primarily outdoor items, that Copperleaf is using in the restaurant tent during their renovation. GM Belknap also presented an HGRD Renovation Update (see attached spreadsheet) which detailed what accessories, artwork, furniture, lighting that have been added to the Main Lobby, Clubhouse Card Rooms, Ballroom Lobby, Pool Deck, Admin Lobby, and the Restaurant and whether they were part of the Copperleaf purchase or owned by the HGRD. Jeff Buxton suggested that the two spreadsheets should be on the website for residents to see.

● **Status Property Insurance – Wind Coverage** – GM Belknap stated the clubhouse roof has been completed by CMM and we have received the final inspection permit. Currently, the HGRD is paying \$290,000 in Property Insurance excluding wind mitigation coverage on the clubhouse. Our insurance broker is obtaining quotes for clubhouse wind coverage and will present the options soon. GM Belknap states the numbers will be in the range of \$125,000-\$150,000 meaning the HGRD will be paying \$400,000 a year for property insurance with a 5% deductible. The Finance Committee will have a meeting when the proposals are in.

● **Hurricane damage repairs – open items and reimbursements -**

- Tree replacement and lake bank mitigation – GM Belknap presented a graph (see attached) that listed the open items and the reimbursements from Hurricane Ian that we may recover from the insurance company. Of the eight items listed there are only two unfinished items still in process, the Pump House at the Golf Course Maintenance facility and the Tennis Courts Lights. All claims have been submitted to the insurance company. The damage to the tennis courts lights was approximately \$20,000 and the pump house is still under construction. Expectations are that the HGRD should recover approximately \$65,000 in reimbursements from the insurance company.

● **Golf Membership – Status and Plans**

GM Belknap presented a graph (see attached) that as of the beginning of January, the golf membership is short 6 members or \$67,000 (1% of the budget). Due to the cold weather, we have been experiencing, public play revenue is down in December. The current golf membership is 584, which is short of the budget of 590. Discussion ensued on the shortfall by adjusting the pricing of outside play, aggressively going after more non-resident memberships, and how to find enough members to reach the budgeted number this year. After discussion, Chair Popp will discuss with the Board at their next meeting the committee's belief that management must achieve the approved budget revenue.

● **Restaurant re-opening comments**

GM Belknap informed the committee that the renovated restaurant opened the second week of December. The staff is adjusting to the new layout and service flow. F&B Manager Janine and Chef Steve will be monitoring the situation and will be flexible in making the necessary changes to accommodate the residents as best they can. So far, the comments have been positive. After discussion on the reservation system and the ability for residents to close out their chit on their phone apps, GM Belknap stated that we need to do a better job of messaging to our residents the ability of paying online.

● **CLIS update on outsourcing and progress of backlogs**

Mainscape is continuing to troubleshoot and make the necessary repairs. GM Belknap sent a CLIS informational letter to the residents on November 9th outlining our current situation. Mainscape's goal is to inspect each yard ("wet check") once every two

months. Rita Lehman stated that she has contacted Mainscape numerous times and still has not had water at her home for 6 to 8 weeks. She also stated that neighbors are turning on their own valves to get water. GM Belknap will check on her situation with Mainscape.

● **Cash Position – December (Capital, Deferred, Bond) and interest rates**

GM Belknap and Treasurer Schwarz presented a summary of the interest rates of FLClass and FLA Prime SBA along with the current balances of HGRD Capital, Deferred and Bond accounts (See attached charts). Currently the SBA interest rate is 5.6% and the FLClass is 5.4761%. Paul Chipman expressed concern that the HGRD is carrying a lot of projects for years without starting them. He believes that management should take a hard look and remove those projects from the deferred list for years if they will not be done.

● **Software changes and updates – payables, reservations, digitizing documents**

– Controller Brew reviewed the software changes and updates with the committee:

1. Paper Member/Resident files have been scanned, uploaded, and attached to their corresponding member file in our software program.
2. AP Automation was implemented in August with AvidXchange to make the AP process more efficient for her staff and invoices accessible to department managers and accounting staff. There is little paper retention.
3. New Timekeeper (OTK) was implemented last fiscal year to streamline the timekeeping process for her staff, allowing employees to request time off electronically, view and approve their time electronically. The system offers three different ways to clock-in (mobile option utilizes geofencing)
4. HGRD Mobile App chit tender is now available for members/residents to sign and authorize their restaurant chits on their mobile device and/or on the server's tablet, ultimately moving away from paper chits.
5. Online event booking is available for members/residents to sign up for events on their mobile device using the HGRD App and/or from the HGRD website.
Journal Entries for the accounting staff with backup is in her plans to be migrated to electronic records coming this summer.

IV. OLD BUSINESS

1. The last year of the current auditor's contract is for the Fiscal Year 2024 statement. This means the Board will need to name the Auditor Selection Committee, in accordance with FL Auditor General requirements later in the year.
2. As soon as Gulfshore Insurance has the wind mitigation quotes, the Finance Committee will meet and make recommendations to the Board.

V. NEW BUSINESS – No new business discussed.

VI. OTHER BUSINESS – No other business discussed.

- VII. Next Meeting will either be on Monday, January 29, 2024 – 9:00 a.m. or Monday, February 8, 2024 – 9:00 a.m. for a Joint Meeting of the Audit and Finance Committees with the Auditors and Board members attending.

VIII. ADJOURNMENT – Meeting adjourned at 10:26 a.m.

Approved-March 11, 2024

Dennis Popp
Chair, Finance Advisory Committee

Attachments