

**LAKE RIDGE PARKS & RECREATION ASSOCIATION, INC. FINANCE
COMMITTEE MEETING
TALL OAKS COMMUNITY CENTER AND VIRTUALLY VIA ZOOM
May 20, 2021
AGENDA**

- I. Call to Order 7:00PM
- II. Open Forum
- III. Approval of the May 6, 2021 Minutes
- IV. Legal Opinion on Assessments
- V. Application of Investment Income
- VI. Application of Program Income
- VII. Preliminary Review of the Budget
- VIII. Open Forum
- IX. Adjournment

* Please contact, Doug Milburn, Director of Administration at DMilburn@lakeridgeva.com by 4pm (EST),
Thursday, May 20th to participate virtually*

**LAKE RIDGE PARKS AND RECREATION ASSOCIATION, INC. (LRPRA)
FINANCE COMMITTEE MEETING MINUTES**

May 6, 2021

Tall Oaks Community Center and virtually via ZOOM

Due to the COVID-19 pandemic, this meeting was conducted as an in-person/virtual hybrid meeting that had one committee member join virtually via ZOOM and two committee members in person. Members of the community were offered the ability to join in, virtually using the software, ZOOM.

The meeting video can be seen on the LRPRA YouTube page at [youtube.com/user/LRPRA](https://www.youtube.com/user/LRPRA)

PRESENT: *Committee Members:* Ron Yoho (Chair), Bill Milne, Michael Butler (via ZOOM) *Staff Members:* Ike Mutlu (COO/GM), Brodie Freer (Assistant Facilities Director via ZOOM), Doug Milburn (Director of Administration and Human Resources), Rebecca Hale (Assistant Finance Director), Michael Yuenger (Director of Finance and IT) *Board Members:* Janet Foote (President), Christopher Berry

OPEN MEETING: Mr. Yoho opened the meeting at 7:00pm.

OPEN FORUM: There was no discussion.

APPROVAL OF THE JANUARY 27, 2021 MINUTES: Mr. Milne made a motion to approve the October 27, 2020 Finance Committee meeting minutes. Mr. Butler seconded the motion, and it was approved unanimously.

INVESTMENT STRATEGY: Mr. Yuenger discussed that our CD rates have dropped significantly over the last year and that economic forecasts show interest rates will remain low for the next 2-3 years. He stated that the question becomes if we should keep our investments in CDs with very little rate of return or if we should consider investment alternatives. Mr. Yuenger spoke about the 5 year historical perspective of our investments and that LRPRA has previously changed the way they invested in the past. Mr. Milne asked why LRPRA had changed its strategy in the past and it was stated that this was a recommendation from our independent auditor that LRPRA was not following recommending guidelines due to investment strategies that may be considered too aggressive. Ms. Foote stated that the principle of the Community Association Institute is to have a fiduciary responsibility to not be too aggressive with investments. Continued discussion was had from the committee on their interpretations of this and Mr. Yoho believes his goal of opening conversation on this topic was met and that the committee may wish to provide input to the Board in the context of the budget process. It was noted that the LRPRA staff did not make a recommendation for investments at this point. Staff explained this was a Board decision based on the Board's fiduciary responsibilities for these funds.

ASSESSMENT CONSIDERATIONS: Mr. Yoho stated that this agenda item was placed under the assumption that the Finance Committee would have input from legal counsel on the proper interpretation of the declarations in respect to the 5% limit on assessment increases. The legal counsel interpretation did not arrive prior to the meeting, so there was no further discussion.

BUDGET PREPARATION STATUS AND SCHEDULE PLANNING FOR FINANCE COMMITTEE: Mr. Yoho discussed that the final budget is to be presented to Board of Directors on June 29. The following dates have been proposed to add Finance Committee meetings in preparation of that:

- May 20, 2021
- June 3, 2021
- June 17, 2021

Mr. Milne asked if management will be preparing different options of the budget with relation to varying percentage options of assessment increases. Mr. Yoho stated that anything less than 5% would have a significant negative

impact on the budget and he believes staff time should not be spent on preparing figures for anything less than a 5% assessment increase. Ms. Foote explained that the Association is continuing to try to catch up from previous years where LRPA was not properly funded.

HOA MANAGEMENT SOFTWARE PACKAGES: Mr. Yoho discussed the current management software package and the fact it may or may not be outdated or needs to change. Ms. Foote made the point that this item is unrelated to the budget and that the committee should focus related discussion on if LRPA should have a plan of action to research and look further into options.

OPEN FORUM: There was no discussion.

ADJOURNMENT: Mr. Milne made a motion to adjourn the meeting at 8:01pm, Mr. Butler seconded the motion and it was unanimously approved.