

High Knob Owners Association

Board of Directors

Meeting Minutes 9/9/2019

Name	Present
Liz Achey, President	X
Ron Perlik	X
Greg Sadler, Secretary	X
Keith Arnett, Treasurer	X
Desiree Williams, Director	Absent
Jerry Pomeroy, Field Services Manager	X
Pam Mainhart, Business Administration	X

Meeting Purpose: *To review High Knob Association old and new business and establish any action items for the continued improvement of the High Knob Community.*

Attendees

Barbara Perlik, Vic Jones

1. Meeting Called to Order

2. Resident Comments and Questions

- Barbara Perlik raised a concern about the gate arm at the High Knob rear entrance being damaged/inoperable

3. Executive Session

Board Motioned and voted to move into executive session unanimously.

Upon reconvening, all members attested that the discussion was limited to the following: legal issues, personnel matters, violations of covenants, or to discuss the personal liability of individual Members to the Association. No action agreed upon in Executive Session shall become effective until the Board votes on it in open meeting.

Post session motions:

- Motion to appoint the below officer assignments of the elected Board members was made by Greg Sadler, seconded by Keith Arnett; resulting vote was unanimous:
 - President – Liz Achey
 - Vice President – Greg Sadler
 - Treasurer – Kieth Arnett
 - Secretary – Desiree Williams

4. Approval of Minutes from previous meeting

Minutes from the August meeting were not complete at the time of the meeting. These will be reviewed and approved as appropriate at the next meeting.

5. Financial Report

- Treasurer reviewed current budget status, currently on plan as we start the new fiscal year

- Received a portion of the Sanitary District Fees from Warren County as scheduled
- Pool costs have been realized and closed out; due to the season spanning two fiscal years, an annualized pool costs report will be provided at the next meeting.
- \$4,600 has been applied to the down payment for roof repairs from the Capital Improvement account (#8210)
- Road Expenses for casual labor for asphalt work will be applied to the Miscellaneous Account (#7105) as we prep for this fall activity
- Annual meeting expenses, including the 2nd election mailing will be hitting the Office Supplies and Expenses account (#4505) and is called out as running slightly above plan due to the election related mailings.
- Chromebook, approved at previous meeting, for the Service Manager has been received and is being configured. These costs will be realized in next month's reporting due to the billing cycles.
- Wes Bush has provided recommendations on procedure improvements with the management of finances and associated approvals as part of our inquiry into outside auditor solutions for the HKOAI and HKUI organizations. These have been passed to Pam and Jerry for implementation as appropriate.

6. Staff Reports

- The Field Services Manager presented a written report. Key questions/discussion points were as follows:
 - Extremely pleased with the quality and timely work completed by the roofing vendor as this was our first interaction.
 - Tiger teeth re-installation is being scheduled based on available opportunity
 - Abandoned House Status - Coordination with the county has yielded no clear path or timeline for action at this time due to limited enforcement solutions within Warren County. Costs of removal/remediation in context of property value and taxes owed remain high. The Board requested a follow up about pressing the county to auction the property or engage in some other option to address the safety concerns to the community. The Business Administrator has sent letters to the county Commissioner requesting status of action and will be pushing escalation of this concern to the Board of Supervisors in the coming weeks.
- The Administrative Coordinator presented a written report. There were no questions.
 - Firewise chipping will begin on 10/1.

7. Announcements

8. Old Business/Updates

- Paychecks Handbook review/revision; deadline of October meeting set to finalize.
- By-Laws/Covenants Review & Formal Complaint Process Committees: Project is being tabled pending new chairperson and committee reformation.
- Cash Reserves – Treasurer and President meeting with Edward Jones representative on 9/17.

8. New Business

- HKOAI Board is reviewing options to improve the control over HKOAI information with a review of email options, currently Board Members leverage personal accounts to coordinate activities; options currently under consideration are Google and Office365 solutions.
- Archived hard copy materials in storage are being reviewed and an appropriate disposal solution being addressed.
- 2021 Budget Planning meeting will occur in October 2019.

9. **Adjournment:** Meeting adjourned 9:00 pm.

The Next Board Meeting will be held on 10/14/2019 at the Club House

Appendix 1: Recommendations from Will Busch, CPA

Sept. 9, 2019

I spoke by phone with Will Busch on 8/27/2019 regarding the current safeguards in place for accounting procedures for HKUI and HKOA. Overall, Will is generally satisfied with our processes and procedures, and commented that overall, we have a good handle on minimizing risk for fraud.

His recommendations for improvements include:

- Currently, vendor bills/invoices are reviewed by staff (primarily Jerry and Dan) and verbally ok'd for payment. Will recommends that all bills/invoices coming from purchases made by staff or board members should be marked by the person who made the purchase as "OK for payment" and initialed by that person. Wendy has also recommended strengthening this area.
- Payment to contracted or casual labor (for example, snow plowing) offers an avenue for potential fraud. Steps should be taken to ensure that these payments are reviewed by at least two people with initialed approval by the originator.
- Although credit card statements and supporting invoices are attached to checks that are signed by board members, it is still possible to implement fraud. For example, listings of gasoline purchases do not directly show who made the purchase or for what purpose. It is advised that staff develop a process (perhaps initialing and adding clarifying notations) to enable board members to see that all expenses are approved.
- If it is not already being done, an effort should be made to ensure that the payee name entered in QuickBooks is the same as the payee written on the corresponding check. This could be done on a spot check basis, if need be. For any checks printed directly from QuickBooks, this would not be needed, unless it is possible to change the payee in QuickBooks after the entry is made.
- Safeguards should be instituted for cash receipts; perhaps all cash payments to be placed in a lock box, which is opened and the cash counted by two people.

Will was also in support of the proposals made by Wendy for her participation:

- Accountant's copy of the books are sent to Wendy monthly when bank statements are received. This would eliminate my travel time and us paying too much for an hour or two of actual work.
- Bank statement copies are uploaded to Wendy's secure company portal
- Wendy reconciles the accounts
- Wendy reviews the General Ledger individual entries. With the understanding that she would only pick up suspicious activity if it is a very high number or entered via a journal entry or an adjustment made

Will noted that an "accountant's copy" sometimes does not allow full functionality to the reviewer, and an alternative method may need to be investigated. He suggested we might want to look at secure, remote access software, such as Go To My PC or RemotePC to allow Wendy direct access to our books.

Compiled by: Keith Arnett