

ROTONDA WEST ASSOCIATION

Budget & Finance Committee Meeting Minutes

Monday, May 9, 2022

Attendees Present: Tom D'Abrosca (Chair), Sam Besase Treasurer and BOD Liaison, Gwen Grace, RoseAnne Woodliff, Wayne Legris, Jack Metz, Thom Lisk & Derrick Hedges

Zoom & Owners Present: Patricia Aho, Astrid Di Mattia, Ronald Bolton, Holly Carr, Nancy Ward-Snyder

Meeting was called to order by Chairman Tom D'Abrosca at 9:30am.

1. **ROLL CALL** all committee members were present. Zoom connection was operational for any interested public attendees, attendees noted above.
2. **Approval of old minutes:** *Motion to approve minutes made by Thom Lisk & second by Gwen Grace. Minutes were approved as written.*
3. **Owner Input** – None
4. **REGULAR BUSINESS**
 - a. **Treasurer Report** – S. Besase presented April 2022 Treasurer's Report. See attached report.
 - b. **Income Analysis** – Income from Annual Assessments has exceeded Budget comparable to previous years. Currently 93% of owners have paid. Staff continue to focus on education and collections for new owners. Committee recognized staff efforts with increased owner compliance paying assessments.
 - c. **Expense Analysis** Expenses are underbudget YTD. Committee discussed what account the new lawn tractor was allocated to as nothing was noted under reserves and #7760 Mower Parts is considerably OB. Derrick Hedges to review and get back to Committee Members.
 - d. **Reserve Analysis** T. D'Abrosca continues work to combine Reserve Study with Building and Grounds Project list, as yet incomplete. Will present to committee as soon as complete.
 - e. **Delinquent Property Status Update** – Wayne Legris identified 28 properties or \$48K in unpaid assessments and/or fines ready to be advanced to foreclosure. Most properties are single homes. *R. Woodliff moved that B&F Committee recommend to the BOD that these properties begin the foreclosure process. Seconded by Gwen Grace. Motion passed unanimously. Manager Hedges to review and make any updates to list as owners have paid prior to presenting to board.*
 - f. **CDARS Spreadsheet Analysis** - Reviewed. More discussion under new business.
5. **OLD BUSINESS**
 - a. **Lien & Foreclosure Status** – Manager Hedges noted there are 125 properties are delinquent on greater than \$400 and 500 properties are delinquent for greater than \$1,000. State law requires two different liens, one for fines and one for assessments so some properties have two liens. It is a complex system and requires ongoing diligence from RWA Manager and staff following up with legal counsel and owners.
 - b. **Audit Committee versus Random Cash Mid-Year Audit by Professional Auditor** – Manager Hedges will update once Audit is complete with more details from Auditor, i.e., cost and scope of work related to HOA compliance with Annual Audit recommendations mid-year. *This item will remain open until hearing from Auditor specifics noted above.*

6. New Business

- a. **2021 Audit Status** – Derrick noted Audit is still being produced. No drafts are available at this time. Manager Hedges noted he will forward to Committee when available.
- b. **2022 Reserve Study Deep Dive** – Chair T. D’Abrosca continues to work on updating and aging this study with Manager Hedges.
- c. **Building and Grounds Three Year Capital Plan (dated May 2021)** - S. Besase meeting with Building and Grounds Committee tomorrow with plans to finalize project list. List shall be forwarded to Committee members upon completion.
- d. **CD Review** - Thom Lisk contacted area banks for current CD rates as well as Investment brokers ability to purchase national CDs. All bank CDs are FDIC insured. He noted the best place to park extra money is in USA Treasuries with interest rates as much as 2% higher than local banks.

The committee discussed at length doing more research on our options related to best returns, tracking and reporting integration into RWA software before presenting to Board. *Thom Lisk will pursue USA Treasuries details on purchasing and amount limits. Manager Hedges will contact Centennial Bank HOA department for more details for committee including handouts and/or presentation to committee, with the knowledge there may be fees involved.*

- e. **Committee Appointment** – The Committee greatly appreciated the applicant’s interest in join the committee and discussed the options available to include the interested party at some level with committee work given our Charter notes our membership is capped currently. Chair will follow up with interested community member on Committee recommendations.

7. Individual Committee Member Input

- a. *S. Besase moved to raise property transfer fees from \$100/transaction to \$250. Seconded by Gwen Grace. Discussion ensued. Motion passed unanimously.*
- b. *S. Besase moved that the increase fees begin January 1, 2023, seconded by T. Lisk. Discussion ensued regarding providing notice prior to implementation. An amended motion was made by S. Besase, seconded by W. Legris to implement October 1, 2022. Roll Call voted taken, S. Besase – yes, T. D’Abrosca – no, W. Legris – yes, J. Metz – yes, G. Grace – no, R. Woodliff – no, T. Lisk – no. Amended motion failed.*
- c. *The initial motion to increase fees on January 1, 2023 was voted on and passed unanimously.*

8. **Motion to adjourn** made by Tom D’Abrosca and seconded by Thom Lisk. Meeting adjourned at 10:45am. Next meeting will be Monday, June 13, 2022 at 9:30am.

Submitted by: RoseAnne Woodliff

Budget & Finance Committee Secretary

ROTONDA WEST ASSOCIATION, INC.

TREASURER'S REPORT – SUMMARY

04/01/2022 THRU 04/30/2022

CASH:

1001 - Englewood Bank (8283) Checking-Operations	\$ 341,461.71
1003 - Petty Cash	\$ 200.00
1007 - CDARS Program - Operating	\$1,900,011.21
1008 - CDARS Program - Reserves	\$ 600,000.00
1106 - Englewood Bank (3864) – BAR Reserves	\$ <u>143,952.49</u>

Total CASH as of 04/30/2022 \$2,985,625.41

Builders Deposits – New Construction

1102 - CSB 2004 - Builders Deposits \$ 264,615.50

*Translates to approximately 235 homes under construction in RWA.

1007-CDARS-OPERATING:	\$1,900.0K - AS OF 04/30/22
1008-CDARS-RESERVES:	\$ <u>600.0K</u> - AS OF 04/30/22
CDARS-TOTALS:	\$2,500.0K - AS OF 04/30/22

2022 YTD EXPENSES:

	ACTUAL	BUDGET	UNDER/OVER	VARIANCE
7000 LI	\$240,646	\$195,000	OVER BY	\$45.7K
6000 LI	\$329,096	\$367,333	UNDER BY	\$38.4K
8000 LI	\$ <u>11,307</u>	\$ <u>15,000</u>	UNDER BY	\$ <u>3.7K</u>
	\$581,049	\$577,333	OVER BY	AROUND \$3.6K

4 mo. x 3 = Year end INCOME may be under stated by ~\$235K

4 mo. x 3 = Year end EXPENSES may be under stated by ~\$ 85K

\$320K divided by 8,000 properties = about \$40 over stated

If we charged \$150 vs \$190 the trend shows RWA would break even.

Respectfully - Sam Besase – RWA Treasurer - May 06, 2022