

ROTONDA WEST ASSOCIATION

Budget & Finance Committee Meeting Minutes

Monday, February 13, 2023

Attendees Present: Tom D'Abrosca (Chair), Sam Besase Treasurer and BOD Liaison, Colleen Koppenhaver, Jack Metz, Thom Lisk, Timothy Houghton, RoseAnne Woodliff, Derrick Hedges, Manager

Zoom & Owners Present: James Wallace, Bob Thibeault, Sheryl Nowicki, Holly Carr, Jenny Bulle

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

1. **ROLL CALL:** Zoom connection was operational for any interested public attendees, attendees noted above.
2. **Approval of old minutes:** *Motion to approve January 9, 2023 as written made by Thom Lisk & second by Jack Metz. Minutes were approved.*
3. **Owner Input** – None.
4. **REGULAR BUSINESS -**
 - a. **Treasurer Report** – S. Besase presented January 2023 See attached report. Director Besase noted Hurricane Ian impacts are not factored into this report.
 - b. **Income Analysis** – Total cash is noted to be a combined \$2,888,457.72 in reserves and operating accounts. Most residents have paid their annual assessment and office staff continue to diligently work on collections. BOD have temporarily suspended fining to April 3, 2023 and may or may not extend. Estoppel and transfer income has fewer house sales. Budgeted income will trend down over the coming year. This Committee will continue to monitor and consider recommendation to BOD to increase Estoppel and Transfer fees if additional income is necessary.
 - c. **Expense Analysis** – Overall Expenses are underbudget. It was noted Printing & Postage are over as December bill for annual assessments was paid in January. Questions regarding historical payroll increases over last 5 years, utilization of two banks for accounts, credit card fees and credit card charges. All questions were asked and answered to everyone's satisfaction. Derrick will include Credit Card statements with monthly financials.
 - d. **Reserve Analysis** – C. Koppenhaver inquired about \$50K transfer from Operating on 1/17 into reserves. Manager & Ms Koppenhaver to meet with J. Bulle to reason through.
 - e. **CDARS Spreadsheet Analysis** – CDs continue to rollover at monthly intervals. Treasurer Besase stated current CDRs interest rates are at 4.54% and he expects it to increase to 5%. Interest Income is helping offset the reduction of income from Estoppel and Transfer fees as well as fines.
5. **OLD BUSINESS**
 - a. **RWA Manger Update on Liens/Foreclosures** – Addition of 16 more liens is being prepared from arrears prior to Hurricane Ian. Derrick is working closely with two attorney firms to track and act in timely manner on all existing liens and foreclosures. No one is being fined currently but liens will be placed on individuals with accounts greater than \$400 in assessments due.

- b. **Delinquent Property Status Update** –Continue to monitor.
- c. **Three Year Building & Grounds Plan** - January Building and Grounds meeting was cancelled. Next meeting is February 14 and they will work on priorities over next 3-6 months. Sam Besase to keep Committee apprised of updates.
- d. **Policy Revisions** - Were approved at January Board meeting. R. Woodliff to send clean copy of changes to Annette.

6. **New Business:**

- a. **Mowing Vacant Lot Expenses** – Manager Hedges and S. Besase shall review and prepare a recommendation for mowing expense charged to owners should Developer approve.
- b. **Estoppel and Transfer Fees** - Committee will continue to monitor overall income.
- c. **Budget 2024** - Tom D’Abrosca present historical spread sheet for review and will update over time for Committee review in preparation for 2024 budget development. T. D’Abrosca will add another column with 2023 actual.
- d. **Board Updates** - Jack Metz will provide monthly board updates pertinent to Budget and Finance Committee. Jack noted the Office Building expansion plans were going out for bids.

7. **Individual Committee Member –**

- a. **Thom Lisk** – Explored the logic of hiring a paralegal to help with reduce legal fees. It was noted most legal fees are recouped in collection process and much of the work would continue to need legal oversight. Additional comment was on an income generating idea to create more storage space within Rotonda with purchase of commercial land. Historical perspective was provided.
- b. **Colleen Koppenhaver**- Requested follow up on legality of raising late fees and requested it be added to Old Business. Manager will follow up with attorney. An email to attorney was not responded to.

8. **Adjournment** – Motion to adjourn was made by Thom Lisk and seconded by Colleen Koppenhaver to adjourned at 11:00am. Next meeting will be Monday, March 13, 2023 at 6:30pm.

Submitted by:

RoseAnne Woodliff

Budget & Finance Committee Secretary

FISCAL YEAR END TREASURER'S REPORT – SUMMARY

01/01/2023 THRU 01/31/2023

CASH: RWA has received approximately 85.2% of 2023 yearly income

1001 - Englewood Bank (8283) Checking-Operations	\$ 108,295.41
1002 – Centennial Bank – Operating	\$ 566,176.66
1003 - Petty Cash	\$ 200.00
1007 - CDARS Program - Operating	\$1,218,365.94
1008 - CDARS Program - Reserves	\$ 907,149.57
1105 – Centennial Bank – Reserves	\$ 743.65
1106 - Englewood Bank (3864) – BAR Reserves	<u>\$ 87,526.49</u>
Total CASH as of 01/31/2023	\$ 2,888,457.72

Builders Deposits – New Construction

1102 - CSB 2004 - Builders Deposits (+14 for JAN) \$ 333,072.50*

*Translates to approximately 300+ homes under construction in RWA.

CDARS-TOTALS: ~\$2,125.5K - AS OF 01/31/23

Latest CDAR interest rates are 4.54%, heading towards 5%. (Vs 0.17% in 2022)

4111-ASSESSMENT INCOME exceeded JAN 2023 budget by ~\$1,402.0K

4200-ESTOPPEL INCOME was less than JAN 2023 budget by ~\$1.0K

(36 vs 40 per month.)

4210-TRANSFER INCOME was less than JAN 2023 budget by ~\$0.6K

(38 VS 40 per month.)

4300-FINING INCOME was less than JAN 2023 budget by ~\$3.7K

(Moratorium till April 3, 2023) (Accrual Accounting)

4400-ATTY-BOOKS, etc., was less than 2023 budget by ~\$1.2K

(Avg of \$1.5K per month.)

2023 YTD EXPENSES:	ACTUAL	BUDGET	UNDER/OVER
6000 LI	\$67.1K	\$94.3K	UNDER BY ~\$ 27.2K
7000 LI	\$34.1K	\$47.5K	UNDER BY ~\$ 13.4K
8000 LI	<u>\$ 4.2K</u>	<u>\$ 3.3K</u>	<u>OVER BY ~\$ 0.9K</u>

JAN 2023 EXPENSE LINE ITEMS WERE UNDER BUDGET BY ~\$ 39.7K

HURRICANE IAN IMPACTS ARE NOT FACTORED INTO THIS REPORT!!!

Respectfully - Sam Besase – RWA Treasurer – February 12, 2023

ROTONDA WEST ASSOCIATION, INC.

TREASURER'S REPORT – SUMMARY

01/01/2023 THRU 01/31/2023

- APPROXIMATELY 56% OF PROPERTIES HAVE PAID 2023 ASSESSMENTS.
- ~211 ACCOUNTS ARE DELINQUENT --- NOT PAID BY 01/31/23 ~7,829 HAVE PAID
- 3rd NOTICES WERE MAILED TO DELINQUENT RESIDENTS. SUSPENSION LETTERS SENT TO ABOUT 375 PROPERTY OWNERS-ABOUT 200 HAVE PAID IN THE LAST 8 MO.
- APPROX 50 LIENS IN PROCESS
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- 6360 – Printing – Postage was over budget by about ~\$10.4K*
- *December 27, 2022 bills paid in January 2023
- 6220 – Independent Contractors was over budget by about ~\$1.7K
- 6300 – Office Equipment was over budget by about ~\$1.2K
- 7710 – Landscape, Maintenance & Repair was over budget by about ~\$1.2K
- 7820 – Repairs & Maintenance of Common Areas over budget about~\$1.3K
- TOTAL EXPENSES FOR JAN 2023 WERE UNDER BUDGET BY ~\$39.8K
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- ~\$300K transfer Operations to Reserves- 2022 RWA BOD approved 3/22
- ~\$300K transfer to Reserves in late July of 2022. BOD approved 6/22
- Consider transfer to Reserves in 2Q of 2023, perhaps \$150K.
- CARRY OVER - EXCESS FUNDS (Net Income) as of 12/31/22 is: ~\$1,445.5K
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- RWA MANAGER & RWA TREASURER ARE MONITORING PERHAPS 20+ LINE ITEMS FOR INFLATION IMPACTS FOR BUDGET FOR 2023.
- The 2022 overall budget was managed well by the RWA Manager and staff. The RWA is in excellent financial condition.
- (UNKNOWN HURRICANE IAN IMPACTS)
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- RESPECTFULLY,
- SAM BESASE - RWA TREASURER, FEBRUARY 12, 2023