

## ROTONDA WEST ASSOCIATION

### Budget & Finance Committee Meeting Minutes

Monday, April 10, 2023

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

**Zoom & Owners Present:** Andy VanSycoc, HCarr, SNavicki

**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 March 13, 2023 as written made by Tom D'Abrosca & second by Jack Metz. Minutes were approved.*
3. **Owner Input** – None.
4. **Presentation by Englewood Trust Department – Kerry Hunter and associate Dottie.** The Englewood Bank Trust Department has an FDIC Investment available the HOA might benefit from, named Marketable CD's. The CD's do cost ½ of 1% (0.5%) of interest earned. Rates are typically higher than single bank rates. If CDs were turned in prior to maturity they would be sold on open market at potentially a lesser rate than purchased resulting in a potential loss. The Committee thanked the bank presenters.

The Committee discussed benefits and disadvantages, opting to continue in our current CDRs process with a possibility of extending length of CDRs.

5. **REGULAR BUSINESS -**
  - a. **Treasurer Report** – S. Besase presented March 2023 See attached report.
  - b. **Income Analysis** – Total cash is noted to be a combined \$3,143,537.90 in reserves and operating accounts. Please refer to attached Treasurer's Report. This Committee will continue to monitor and consider recommendation to BOD if additional income is necessary.
  - c. **Expense Analysis** – Expenses overall are underbudget. See attached report.
  - d. **Reserve Analysis** – See attached report
  - e. **CDARS Spreadsheet Analysis** – All CDRs continue to rollover at monthly intervals. Treasurer Besase stated current CDRs interest rates are at 5.06-5.54% and he expects it to increase. S. Besase assured Committee that all CDR's were all within the FDIC insured limits. *R. Woodliff motioned, seconded by Thom Lisk to recommend the BOD approve rolling two CDRs accounts, totaling \$609,095, into 6-month terms if interest rates are better than 13-week CDRs. Motion passed unanimously.*
6. **OLD BUSINESS**
  - a. **RWA Manger Update on Liens/Foreclosures** –Manager Hedges reported that the new law firm of Becker has a whole department dedicated to liens & foreclosures. He will eventually move all business over to Becker and hopes current foreclosures will move faster with old firm or they too will be moved to new firm. Currently we have 50-60 accounts that need to be advanced in lien/foreclosure process.

- b. **Board Update** – Jack Metz provided an update on Board reinstated fines for deed restriction violations as of April 3, 2023.
- c. **Delinquent Property Status Update** – Manager Hedges notes Jenny and staff are current with advancing any properties in arrears. No Committee assistance is required at this time. Continue to monitor.
- d. **Three Year Building & Grounds Plan** - Request for bids have been published for expansion of RWA Office Building. Only one contractor response at this time. The complete plan is still in review stages. No discussion on financing at this time.
- e. **Estoppel, Transfer and Late Fees** – Any recommendations for increases will be evaluated at another time.

7. **New Business:**

- a. **2022 Draft Audit** – The Audit firm will review with BOD at May 11<sup>th</sup> meeting. Budget and Finance members are invited to attend. This item will be added to our May 8, 2023 B&F Agenda.
- b. **Budget 2024** - Continue to report quarterly.

8. **Individual Committee Member –**

- a. **Sam Besase** – Noted he has compiled a draft of first quarter after meeting with Manager Hedges.
- b. **Thom Lisk** – Inquired what might be the possible cause of so many properties on Boundary being in arrears. It was noted that that is the longest street in RWA as well as many are owned by investment firms. Several are vacant lots with pepper tree abatement and downed tree fines.

9. **Adjournment** – Motion to adjourn was made by Tom D’Abrosca and seconded by RoseAnne Woodliff to adjourned at 10:56am. Next meeting will be Monday, May 8, 2023 at 9:30am.

Submitted by:

RoseAnne Woodliff

Budget & Finance Committee Secretary

ROTONDA WEST ASSOCIATION, INC.

TREASURER'S REPORT

03/01/2023 THRU 03/31/2023

CASH: Thru 03/31/23 RWA has received approx. 85.0% of 2023 yearly income

1001 – Englewood (Crews) Bank (8283) Check-Operating	\$ 240,696.08
1002 – Centennial Bank – Operating	\$ 650,221.51
1003 - Petty Cash	\$ 200.00
1007 - CDARS Program - Operating	\$1,218,365.94
1008 - CDARS Program - Reserves	\$ 906,203.64
1105 – Centennial Bank – Reserves	\$ 68,010.60
1106 - Englewood (Crews) Bank (3864) – BAR Reserves	<u>\$ 59,840.13</u>
Total CASH as of 03/31/2023	\$3,143,537.90

Builders Deposits – New Construction

1102 - CSB 2004 - Builders Deposits \$ 325,072.50\*

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

Latest CDAR interest rates are 5.06%-5.54%, now over 5%. (Vs 0.17% in 2022)

4111-ASSESSMENT INCOME exceeds 2023 budget by ~\$2.3K

4200-ESTOPPEL INCOME is ahead of YTD 2023 budget by ~\$3.6K

(47 vs 40 per month = +~20 cumulative.)

4210-TRANSFER INCOME is ahead of YTD 2023 budget by ~\$2.4K

(47vs 40 per month = +~20 cumulative.)

4300-FINING INCOME was less than YTD 2023 budget by ~\$9.7K

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

4400-ATTY-BOOKS, etc., was less than YTD 2023 budget by ~\$5.4K

INCOME YTD is running slightly ahead of YTD budgeted amounts:

2023 YTD EXPENSES:	ACTUAL	BUDGET	UNDER/OVER
6000 LI	\$212.8K	\$282.8K	UNDER BY ~\$ 70.0K
7000 LI	\$112.5K	\$142.5K	UNDER BY ~\$ 30.0K
8000 LI	\$ 9.2K	\$ 10.0K	UNDER BY ~\$ 0.8K
<u>YTD 2023 EXPENSE LINE ITEMS WERE UNDER BUDGET BY ~\$ 100.8K</u>			

Respectfully - Sam Besase – RWA Treasurer – APRIL 7, 2023

ROTONDA WEST ASSOCIATION, INC.

TREASURER'S REPORT – SUMMARY

03/01/2023 THRU 03/31/2023

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- APPROXIMATELY 93% OF PROPERTIES HAVE PAID 2023 ASSESSMENTS.
- ~560 ACCOUNTS ARE DELINQUENT IN 2023 ASSESSMENTS, AROUND ANOTHER 100 ARE DELINQUENT 2 OR MORE YEARS PLUS FINES
- ~7.0% NOT PAID BY 03/31/23 ~7,480 around 93% HAVE PAID
- 1st NOTICES WERE MAILED TO ~560, 2023 DELINQUENT RESIDENTS.
- SUSPENSION LETTERS SHALL BE SENT LATER THIS SUMMER.
- APPROX 50 LIENS IN PROCESS
- MARCH 15, 2023 DEADLINE TO AVOID DELINQUENCY FOR 2023 ~560 + OR -
- 6360 – Printing – Postage was over budget by about ~\$10.4K\*
- \*December 27, 2022 bills paid in January 2023
- 4 Line items (6220-7710-7820-7860) were over budget, total of ~\$11.5K
- TOTAL EXPENSES YTD 2023 WERE UNDER BUDGET BY ~\$80.5K
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- Consider transfer to Reserves in 2Q of 2023, perhaps \$150K to \$300K.
- CARRY OVER - EXCESS FUNDS (Net Income) as of 03/31/23 is: ~\$1,155.2K
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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 – SEEM NOW TO BE MITIGATED)

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RESPECTFULLY, SAM BESASE - RWA TREASURER, APRIL 7, 2023