

## ROTONDA WEST ASSOCIATION

### Budget & Finance Committee Meeting Minutes

Monday, July 10, 2023

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

Excused/Absent: Thom Lisk

**Zoom & Owners Present:** Danny Monica Monica, Hank Killion

**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 June 12, 2023 as written made by Sam Besase & second by Jack Metz. Minutes were approved.*
3. **Owner Input** – None.
4. **REGULAR BUSINESS – RWA Treasurer Monthly Financial Review June 2023 (Sam Besase). See attached Report.**
  - a. **Income Analysis** – Assessment income is at annual budget with 3.53% delinquent accounts. Interest income, estoppel and transfer fees and reimbursement of attorney fees are above budget. Collection of assessments is at 97% paid. Total Cash as of 6/30/2023 is almost \$2.89 Million
  - b. **Expense Analysis** – Expenses overall are underbudget by approximately 15%. See attached report.
  - c. **Reserve Analysis** – RWA BOD have funded Reserves at \$200K which is approximately twice budgeted amount. Interest income is climbing with rates at or above 5% with latest CDAR rollovers. CDARs that mature this month will roll over into 1@13 week, 2 @ 26 weeks and 1 @ 52 weeks. Next month more CDARS will be bought with 26 week and 52 week maturity to capitalize on interest rates.
5. **OLD BUSINESS**
  - a. **RWA Manger Update on Liens/Foreclosures** –Manager Hedges noted collections are going well with payment plans and full collection from surplus of sale funds. Both legal firms are actively pursuing liens & foreclosures on 284 properties (235 individuals). Currently there are 61 total properties in process with 40 liens in place with 12 on payment plans, 8 notices to lien. One foreclosure keeps getting delayed.
  - b. **Delinquent Property Status Update** – See above.
  - c. **Three Year Building & Grounds Plan** - S. Besase encouraged attendance at the Thursday meeting this week.
  - d. **Estoppel, Transfer and Late Fees** – Close agenda item for now.
  - e. **2022 Audit Recommendations** –
    1. **Centennial Bank Representative** was not able to attend meeting. Committee requested Derrick arrange for a presentation with an overview of all literature that was provided this month. The Bank will use sweep accounting for any account over \$250K. C. Koppenhaver questioned the possibility of using sweep accounts with operating monies for additional protection and earned interest. Centennial recommends RWA keep \$200K in



operating account rather than sweeping all monies. Budget & Finance will follow up with Bank Representative.

2. **Mid Year Review** – Penny should begin mid year follow up review this month or early July.

6. **New Business:**

- a. **Updated Reserve Study 2024** - Manager Hedges explained we could do a whole new study, which would be more expensive or do an update of the existing study which would still take into account all capital items. A completed new reserve study would be more important to complete once building projects are approved and completed. At this time there are no new significant capital items needing to be incorporated. ***Motion was made by S. Besase and seconded by R. Woodliff to request an updated reserve study, taking into account new inflation rates and new timelines due recent replacements/repairs completed post Hurricane Ian be completed by first quarter of 2024 with results to RWA BOD by second quarter 2024. Manager Hedges will contact Facilities Advisors of Florida representative Pierre del Rosario.***
- b. **Budget 2024 Discussion/Considerations**– Committee members should review and send comments back to Sam, Jack and Tom for review. Jack Metz to update spread sheet with S. Besase numbers.

**A joint Board and Committee Budget Workshop is scheduled for 8/8/2023 from 10am – 12P**

- c. **Board Update/Jack Metz** – No update.

7. **Individual Committee Member –**

- a. S. Besase noted quotes for Marina repairs have come in at \$500,000 which is not included in the Building and Grounds plan. This is a reserve study item and there are some monies put aside for repairs but how much was not available at the meeting.

Hank Killion requested to address committee. He noted that MSBU proposed tax increase spent to all residents has the potential to affect the RWA 2024 Budget by as much as \$21K. He and Sam are hopeful the amount will be adjusted down but Budgets should reflect a significant increase.

8. **Adjournment** – Motion to adjourn was made by Tom D’Abrosca and seconded by Colleen Koppenhaver to adjourned at 10:30am. Next meeting will be Monday, August 14, 2023 at 9:30am.

Submitted by:

RoseAnne Woodliff

Budget & Finance Committee Secretary



ROTONDA WEST ASSOCIATION, INC.

TREASURER'S REPORT

06/01/2023 THRU 06/30/2023 (HALF-WAY THRU 2023)

CASH:

1001 – Englewood (Crews) Bank (8283) Checking-Opns	\$ 15,991.42
1002 – Centennial Bank – Operating	\$ 140,315.07
1003 - Petty Cash	\$ 200.00
1007 - CDARS Program - OPERATIONS	\$1,582,111.13
1008 - CDARS Program - Reserves - CAPITAL	\$1,066,672.97
1105 – Centennial Bank – Reserves – 7343 OPERATIONS	\$ 67,945.56
1106 - Englewood Bank (3864) – BAR Reserves-CAPITAL	<u>\$ 19,703.95</u>
Total CASH as of 06/30/2023	\$2,892,940.10

Builders Deposits – New Construction

1102 - CSB 2004 - Builders Deposits xfer Centennial	\$ 2,000.00*
1103 – Centennial 6065 Builders Clean Site Escrow	\$ 184,500.00*
1104 – Centennial 6189 Clean Site MMA	<u>\$ 154,236.51*</u>
Total CASH – Builders Deposits – New Construction	\$ 340,736.51*

\*Translates to approximately 333+ homes under construction in RWA.

4111-ASSESSMENT INCOME exceeds 2023 budget by ~\$0.6K

4120/4125 INTEREST INCOME exceeds 2023 budget by ~\$5.2K

4200-ESTOPPEL YTD INCOME is ahead of YTD 2023 budget by ~\$7.9K  
(47 vs 42 per month = +~31 cumulative.)

4210-TRANSFER YTD INCOME is ahead of YTD 2023 budget by ~\$4.2K  
(44 vs 42 per month = +~28 cumulative.)

4300-FINING INCOME YTD was less than YTD 2023 budget by ~\$ 1.6K

4400-ATTY-BOOKS YTD, etc., is ahead of YTD 2023 budget by ~\$13.4K

These YTD 2023 INCOME exceed YTD budgeted amounts by ~\$29.7K

2023 YTD EXPENSES:	ACTUAL	BUDGET	UNDER/OVER
6000 Line-Item Series	\$505.6K	\$565.5K	UNDER BY ~\$ 59.9K
7000 Line-Item Series	\$214.5K	\$284.9K	UNDER BY ~\$ 70.4K
8000 Line-item Series	\$ 18.9K	\$ 20.0K	UNDER BY ~\$ 1.1K
2023 YTD Expenses	\$739.0K	\$870.4K	UNDER BY ~\$131.4K

YTD 2023 EXPENSE LINE ITEMS WERE UNDER BUDGET BY ~15.0%

Respectfully - Sam Besase – RWA Treasurer – JULY 6, 2023



ROTONDA WEST ASSOCIATION, INC.

TREASURER'S REPORT – SUMMARY

06/01/2023 THRU 06/30/2023

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- APPROXIMATELY 96.5% OF PROPERTIES HAVE PAID 2023 ASSESSMENTS.
- ~284 ACCOUNTS ARE DELINQUENT = ~3.53%
- ~3.53% NOT PAID (284) BY 06/30/23 ~7,756 around 96.5% HAVE PAID
- 1st NOTICES WERE MAILED TO ~560 - 2023 DELINQUENT RESIDENTS. ~208 paid LATE
- 2<sup>nd</sup> NOTICES WERE MAILED BY MAY 31, 2023 (CURRENTLY 284) 39 less than last month
- SUSPENSION LETTERS SHALL BE SENT IN AUGUST 2023.
- MARCH 15, 2023 DEADLINE TO AVOID DELINQUENCY FOR 2023
- APPROX 60 LIENS/FORECLOSURES IN PROCESS 7.46% of residents
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- Latest CDAR interest rates are 5.19%, heading to 5.4%. (vs 0.17% in 2022)
- Higher interest rates translate to about \$2.7K in income per week vs \$0.3K
- The FED meets July 23 – expectations are that rates shall RISE by ~0.125%.
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- 6220-Independent Contractors \$11.5K vs \$ 7.5K = \$ 4.0K
- 6240-Insurance \$58.7K vs \$32.0K = \$26.7K
- 7710-Landscape Maintenance \$13.3K vs \$12.0K = \$ 1.3K
- 6500-Community Center Expenses \$11.8K vs \$ 9.0K = \$ 2.8K
- Expense line items are under budget by ~\$131.5K compared to overall budget.
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- RWA RESERVES contribution in 2023 = \$200K (approx. \$100K more than required) Consider transferring ~\$200K more to CDAR-OPERATIONS in 3Q/4Q of 2023
- CARRY OVER - EXCESS FUNDS (Net Income) as of 06/30/23 is: ~\$734.2K
- INITIAL BUDGET FOR 2024 HAS BEEN DEVELOPED BY TREASURER/MGR.
- B&F Committee shall develop 2024 BUDGET ALONG WITH RWA MANAGER
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- Halfway point in 2023 - RWA budget is in excellent shape!!!!

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- RESPECTFULLY, SAM BESASE - RWA TREASURER, JULY 6, 2023