

ROTONDA WEST ASSOCIATION

Budget & Finance Committee Meeting Minutes

Monday, March 11, 2024

Members Present: Tom D'Abrosca (Chair), Jack Metz, Sam Besase, RoseAnne Woodliff, Colleen Koppenhaver, Timothy Houghton, Thom Lisk. **Staff Present:** Derrick Hedges, Jenny Bulle.

Zoom and Owners Present: Andy Van Scyoc, Peter Traverso, Sheryl Nowicki (via Zoom), Nancy Schwechel (via Zoom)

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

1. **ROLL CALL:** Zoom connection was operational for any interested public attendees.
2. **Approval of minutes:** *Motion to approve February 12, 2024 minutes as written was made by RoseAnne Woodliff, seconded by Tom D'Abrosca. Minutes were approved.*
3. **Owner Input:** None.
4. **REGULAR BUSINESS – RWA Monthly Financial Review, Income Analysis, Reserves Analysis, and CDAR Review, February 2024 presented by Sam Besase.**
 - a. Cash is \$3.1 million.
 - b. Year-to-Date Income is under budget through February 28 by \$3.3k.
 - c. Year-to-Date Expenses are under budget through February 28 by \$56.7k.
 - d. Almost 92% of property owners have paid their assessments.
 - e. The next Federal Reserve meeting is this week. The latest CDAR rates are around 5%. We are seeing about \$3,000 per week in interest earnings, which equates to around \$150,000 per year.
 - f. Sam Besase reported that the RWA budget is in excellent financial shape. Sam Besase estimates that the Salaries & Wages line item will be over budget by about \$50k by the end of the year.
 - g. Jack Metz questioned why Salaries and Wages is over budget for the month of February by \$28k. **As Derrick and Jenny had already left the meeting, this will require further follow up from Derrick next month.**
 - h. The committee noted that the Board is still in negotiations with the Manager over his contract. The committee also noted that the contract for next year will be up for renewal in June. This has gone on for quite a while. **The committee agreed, upon recommendation by Tom D'Abrosca, that we begin discussion of the Salaries and Wages budget line item for 2025. This will be on the New Business agenda for the April meeting.**
 - i. Colleen Koppenhaver questioned the purpose of check number 18459 in the amount of \$39,111. **Sam Besase or Derrick will follow up and provide a response at the April meeting.**

5. OLD BUSINESS

a. **RWA Manager Update on Liens and Foreclosures and Delinquent Property Owners Analysis**

- i. Derrick Hedges addressed past due accounts. \$13,000 was written off during February related to accounts that were over the \$5,000 maximum. This resulted in a negative \$13k in Accounts Receivable Fines for the month of February. There are several large accounts that will need to be written down based on the \$5,000 maximum fine amounts that can be collected. In addition, we will be able to collect for the legal fees and other expenses associated with collections. For many accounts, we wait to pursue filing legal action until the account reaches the maximum expected amount for the account, as it is a challenge to amend the legal action amount once it is filed. RoseAnne Woodliff questioned whether the \$13,000 written off should be recorded in account 1206 Allowance for Doubtful Accounts. Derrick noted that the software automatically records these adjustments to 4300 Accounts Receivable Fines. **Derrick will follow up with the accounting software firm and the auditors.** Derrick addressed the homeowner account owing \$32k. The property is in foreclosure. The courts pushed back the date due to the hurricane and then pushed back another 9 months. The property owners have until April to sell the house. If not sold by then, it will go up for sale. This account is 2 lots, both at maximum assessments. Derrick believes it capped out around \$20k or \$21k, which the judge accepted. The bank has a lien also, and the bank precedes us in priority. Derrick believes we should have no problem getting our money. Chairperson D'Abrosca reminded committee members that the Accounts Receivable Report details are for committee members only. Names and details should not be shared with neighbors and friends. Sam Besase noted that throughout the year, we will collect on many of the accounts, and that the number of delinquent accounts will continue to reduce throughout the year.

- b. **Three year buildings and grounds and RWA building addition update** – Sam reported that a Buildings & Grounds committee meeting is scheduled for March 12, 2024. There are several motions in this week's agenda related to the building expansion. Sam reported that the building is actually three different projects. The size of the building expansion may need to be reduced. The three projects include the public restrooms, the administration building, and a computer area.

- c. **Mid-year audit update** – Colleen Koppenhaver will review the 2022 Agreed Upon Procedures Report to determine if a similar engagement would be appropriate for 2024. Derrick Hedges will talk with Geoff and request this for 2024. **Committee Member Koppenhaver requested that the auditors meet with the Budget & Finance Committee once the draft year-end audit report is prepared, which will be in advance of the presentation of the audit to the RWA Board. Committee members were asked to send any questions to Derrick in advance of the meeting.**

- d. **Reserve Study Update** - Pierre was here in March to begin the 3-year reserve study. There will be additional follow up. A draft will be presented to the Budget & Finance Committee. **Derrick will schedule an informal introductory meeting for members of**

the Budget & Finance Committee. Tom D'Abrosca will follow up with Derrick on the status of this meeting. A joint review with the Board will occur down the road.

6. New Business –

- a. A \$150k reserve funding motion recommended by the Budget and Finance Committee last month is currently pending approval by the RW Board of Directors.
- b. Board update – Jack Metz noted that we have already touched on those updates throughout this meeting.
- c. **Tom D'Abrosca requested that committee members complete and sign the Volunteer Waiver form and return it to him.**
- d. RoseAnne Woodliff thanked Sam Besase for posting updates on the south bridge and other happenings impacting the community.

7. Adjournment – Motion to adjourn was made by Tom D'Abrosca and seconded by Thom Lisk. Next meeting will be Monday, April 8, 2024 at 9:30 am.

Submitted by:

Colleen M. Koppenhaver

Budget & Finance Committee Member