

# MINUTES

DATE NOV 8, 2017

TIME 7:00PM

LOCATION DMR

MEETING CALLED BY	Deb Stearn
TYPE OF MEETING	Financial Management Committee
NOTE TAKER	Deb Stearn
MEMBERS PRESENT	Kari Wallace, Shashi Koduru, Lydia Ramos, Lorene Sarne and Deb Stearn.
MEMBERS ABSENT	n/a

## Agenda topic: Agenda Approval/Changes

MOTION MADE BY SHASHI

MOTION 2<sup>ND</sup> BY LYDIA

MOTION	Approve the Agenda as Amended	
Result of vote on motion: the motion was unanimously approved		
DISCUSSION	Add a discussion of the budget process during the ratification of the recommendation to the BoD.	
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
n/a		

## Agenda topic: Approve minutes from the 9/6/2017 meeting

MOTION MADE BY SHASHI

MOTION 2<sup>ND</sup> BY KARI

MOTION	Approve the minutes of the September 6, 2017 meeting	
Result of vote on motion: the motion was unanimously approved, with 1 abstention.		
DISCUSSION	none	
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
Circulate Approved Sept 6 Minutes and Draft Nov 8 Minutes	Deb	For inclusion in Board package for next mtg

# Agenda topic: Ratify 2018 Draft Budget Recommendation to BoD

MOTION MADE BY LYDIA

MOTION 2<sup>ND</sup> BY KARI

<b>MOTION</b>	Ratify the recommendation approved by the Committee via email.	
Result of vote on motion: Result of vote on motion: the motion was unanimously approved, with 1 abstention.		
<b>DISCUSSION</b>	The Committee conducted a “post-mortem” on this year’s budget process:	
<ul style="list-style-type: none"> <li>• A discussion took place on whether the FMC is adding value to the BoD’s budget decision process and whether the Committee’s and BoD’s time and efforts were best utilized. The FMC conducted multiple, detailed review sessions which few, if any, BoD members attended. The Committee met earlier in the year with the Comptroller, Accountant and Auditor and again few BoD members attended those sessions. In addition, members of the Committee attended an industry sponsored seminar on budget and reserves. Though invited, no BoD members attended. It seems, in part as a result, BoD budget discussions were circular, covered old ground, revisited previous FMC recommendations and duplicated time and effort already expended by both the BoD and FMC.</li> <li>• It was noted it is the BoD’s prerogative to oversee the budget recommendation. But the concern is the both the FMC and the BoD spent considerable time and effort going through the draft budget line by line, multiple times, in separate sessions, thereby duplicating efforts and hindering communication.</li> <li>• In an effort to be positive and proactive, the Committee will:             <ul style="list-style-type: none"> <li>- Start the 2019 budget process in June 2018</li> <li>- Invite the BoD to engage in every step of the budgetary process</li> <li>- Email the BoD regarding the importance of adopting the proposed 2018 budget as published to Owners</li> <li>- Explore ways to use everyone’s time as effectively as possible</li> <li>- Schedule financial education opportunities: industry seminars, meetings with Auditor, Comptroller</li> <li>- Stress the importance of adopting a budget that meets the expenses of the Community</li> <li>- Be mindful of the Bylaws and fiduciary responsibility</li> </ul> </li> </ul>		
<b>ACTION ITEMS</b>	<b>PERSON RESPONSIBLE</b>	<b>DEADLINE</b>
Share the draft minutes of this meeting with BoD.	Shashi	asap
Send email to BoD regarding the importance of adopting the 2018 Budget as sent to Owners calling for a 12.02% increase.	Deb to draft, FMC to approve	asap
Start the 2019 budget process in June, engage the BoD to participate throughout the process, encourage financial education.	FMC & BoD	Ongoing

## Agenda topic: August and September Financials

MOTION MADE BY N/A

MOTION 2<sup>ND</sup> BY N/A

<b>MOTION</b>	None	
Result of vote on motion: N/A		
<b>DISCUSSION</b>	Monthly metrics:	
<ul style="list-style-type: none"> <li>Delinquency rate: 2.4 % for August, 2.6% for September. Although both are within industry standards of less than 3%, there was a brief discussion of the reason for uptick for September attributed to ongoing delinquent accounts.</li> <li>Operating Excess/Deficit is an Excess of \$8,066.24 for August and an Excess of \$13,024.80 for September.</li> <li>The available Replacement Reserves decreased to \$1,304,008 in August (compared to July at \$1,390,167) and went up slightly in September to \$1,307,406.</li> </ul>		
<b>ACTION ITEMS</b>	<b>PERSON RESPONSIBLE</b>	<b>DEADLINE</b>
Review Utility Tracking data	Lydia	ongoing

## Agenda topic: Special Assessment Analysis

MOTION MADE BY N/A

MOTION 2<sup>ND</sup> BY N/A

<b>MOTION</b>	none	
Result of vote on motion: n/a		
<b>DISCUSSION</b>	The BoD has requested an financial analysis on 2 options for a Special Assessment: 1) to pay for the Façade & Balcony project and 2) to pay off the loan for the completed Plaza Deck project:	
<ul style="list-style-type: none"> <li>The analysis will focus on the numbers, using the initial estimate for the Façade &amp; Balcony project of \$6 million for option 1 and for option 2, the remaining \$1,731,388 of the loan. The focus will be the financials and impacts to the Budget going forward.</li> <li>The BoD requested a 2 line graphical representation of the last page of the Reserve Study, to plot projected Reserve levels v projected Reserve expenditures in a visual format.</li> <li>The BoD requested a breakdown, per unit type, of where condo assessments contribute to the various expenditures (utilities, reserves, contracts, etc.). The pie chart was included with the notice to Owners. Another breakdown will be prepared once the 2018 budget is adopted.</li> </ul>		
<b>ACTION ITEMS</b>	<b>PERSON RESPONSIBLE</b>	<b>DEADLINE</b>
Draft the Special Assessment analysis.	Kari	Next meeting

Draft the 2 line representation of the Reserve Study; levels v expenditures.	Lydia	Next meeting
Draft a revised breakdown, per unit type, of where condo assessments contribute to the various expenditures.		Post Budget Adoption

Next Meeting: Wednesday December 6 at 7:00 pm in the DMR

General Notes: Open Forum

- One Owner attended who expressed an interest in the special assessment agenda item and suggested an assessment would be a hardship.

APPROVED