



Sunset Village, Inc., 3401 Gandy Blvd., Pinellas Park, FL 33781

Finance Committee Meeting
Minutes

Monday, June 26, at 10:00 am
In the Board Conference Room and via Zoom
Join Zoom Meeting

<https://us06web.zoom.us/j/87439797228?pwd=Q1ZOZ2tVNHHMNThkK3hubTQyR0NOUT09>

Meeting ID: 874 3979 7228 Passcode: 301280

Dial by your location +1 305 224 1968 US

Roll Call: Committee attendees in person: Maggie Stokes, Committee Chair; Gary Thrasher, Committee Co-chair; Jan McCoy, Committee Secretary; Richard Thomas LCAM; Committee Attendees via Zoom: Roberta Maynard, Larry Smith, Karen Harding, Bill Hickey absent; Residents in attendance: Don French, unit 709 via Zoom

Call to Order: Meeting was called to order at 10:0 AM by Maggie Stokes

Proof of Notice: The meeting notice was posted 48 hours in advance of the meeting as required by the Association rules and Florida Statutes on Fri., June 23, 2023, at 6:14 PM.

Approval of Minutes: Gary Thrasher made a motion to accept the May 15, 2023, meeting minutes as presented. Roberta Maynard seconded the motion. All were in favor. The minutes were accepted.

Agenda:

Presentation of May 2023 financial statements

Income Statement:

- An account detail sheet was provided. The format has changed. An extraordinary expense line item has been included for tracking of non-recurring expenses.
- Fee revenues will always show a shortfall for this budgeted year due to the change in non-shareholders this year vs. last, resulting in a shortage of \$4,000.00 monthly.
- We received \$2,600 from Charter (old name for Spectrum) this month. This requires further investigation to understand.
- Interest income is not recorded in the budget as the program was established after the budget creation. This year is projected to reach income of approx. \$80,000.00 by year end.
- Utilities are over budget due to an unexplained high monthly water bill. This is being looked into. Larry Smith will perform an analysis of the increase in the electric bill.

- The RPM line item is higher due to retroactive raises for the staff dating back to January 2023. This should have been a 2023 budgeted line item, but it was not included.
- Other administrative includes the \$2,350.00 deposit for the reserve study.
- Extraordinary expenses include replacing the pool pump (life expectancy for the new pump is 3 years), tree removal, tenting the clubhouse for termites, office equipment purchase (printer & laptop).
- Reserve Account: There were no financial payments in the month of May. YTD total represents roadwork final payment, engineering studies for perimeter/wall repair and catch basin work.
- Shareholder unsold lots represents vacant lots and is a placeholder.

Income Statement Recap:

- Our net operating income (loss) for the month is \$11,343.00 primarily driven by extraordinary expenses detailed in the income statement, with \$117,675 YTD which includes the \$96,454 final road project payment from Operating funds.
- Our estimated annual (unbudgeted) interest income will only cover approx. 40% of the loss of planned income due to the change in non-shareholder to shareholder status.
- Our influx of revenue from shareholder sales is deposited to our savings account. In years past, monies were transferred from the savings account to the operating account to cover shortfalls in cash as required.
- Receivables are being managed down. One property has been returned to SVI ownership, and a couple of additional significant delinquencies have been paid.
- Action Jan McCoy: Will look into the feasibility of recouping costs of legal fees associated with the cost of notices for delinquencies. We think it was only done in the past if associated with a court case that was won by the association. It may be dependent on what the percentage of legal fee costs are vs. the amount owed. Everyone should be treated the same regardless of the amount being recovered so we can implement a consistent process.

Review of historical financial statements in preparation for the budgeting process (administrative costs)

Maggie Stokes created a year-over-year comparison of administrative costs from 2013 through current year inclusive of General Office Costs, Professional Fees, Insurance, Taxes, fees, licenses, and Resident Relations which was reviewed.

- Approx. \$6,000 has been paid in 2023 for 2022 expenses.
- We've spent more on office equipment including the purchase of printer, laptop, and improvement of Wi-Fi at the pool and laundry room. This will not be recurring.
- Action: Maggie Stokes will work with Larry Smith and report details of increases of professional fees and legal fee line items to the group next month.
- The Resident relations line item was created to capture expenses like car damage at back gate.
- Removal of share sales incentives was discussed.
- Action: Rich Thomas to research rent increases for 723 non-shareholders. What are other parks charging and what are the parameters for consideration of rent increase at budget time based on our governing documents. We should determine what is a fair market price. Shareholder fees should not be increased to support low rent of non-shareholders.

Authorize Edward Jones funds transfer and CD rollovers.

Investments managed by Edward Jones – 2 CDs are maturing on both July 13 and 19th. 12-month CDs are at 5.25% today. The committee discussed recommendations to be made by the Treasurer to the board of directors for approval to transfer funds.

Motion: The motion was made by Larry Smith to ask the board to authorize the July renewal of the two \$200,000 CDs at either a 9- or 12-month rate when they come due, seconded by Gary Thrasher. Motion carried unanimously after discussion of needed cash moving forward. A request was made to establish cash flow projections once we can do so. We are gathering anticipated expense information for roof replacement, A/Cs and catch basin work.

For record: The motions to the board of directors asking for authorization to instruct Edward Jones to transfer funds are stated in the following motions that were shared at the 06.28.23 meeting:

- Maggie Stokes will motion that the Board of Directors authorizes the transfer of \$13,333.33 from the Popular Bank operating account to the Edward Jones reserve Insured Bank Deposit account. This transaction is the funding of the reserves from the operating account as determined by the 2023 Budget.
- Maggie Stokes will motion that the Board of Directors authorize Edward Jones to rollover the \$200,000 certificate of deposit that is maturing July 13th into a new CD with a 12-month maturity date. In addition, a second \$200,000 CD, within 12 months, should be purchased for the rollover of the CD that is maturing on July 17th. If a better interest rate may be gained by purchasing these CDs with a 9-month maturity date, Edward Jones is directed to do so.

Discussion

Discussion of potential financial impact of replacing the roof and A/C with the view that bids are coming in approx. double that of the amount planned in the reserve budget.

- Action: Jan McCoy to provide overview of bid estimates for roofing & A/C to the committee via email.
- Action: Maggie Stokes will create a cash flow projection report once details of anticipated expenses are received. The roof and A/C expense will be incurred in the fall and the catch basin work must go through city permitting and approval which could take months.

Adjournment

Maggie made a motion to adjourn the meeting. Larry Smith seconded the motion. All were in favor. The meeting adjourned at 11:24 PM.