



SUNSET VILLAGE, INC.
Finance Committee Meeting

Wednesday June 19, 2024, at 9:00 am Maintenance Conference & Zoom

Zoom Link:

<https://us06web.zoom.us/j/84758636805?pwd=SOB27bHL8WugwfuZSZLvNZjiiQBuaW.1>

Meeting ID: 847 5863 6805 Passcode: 411973

One tap mobile: +13052241968,,84758636805#,,,,*411973# US

Dial by your location: +1 305 224 1968 US

Call to Order: The meeting was called to order at 9:00 AM by Karen Harding

Roll Call Attendees: Karen Harding, Chair via Zoom; Gary Thrasher, Roberta Maynard (absent with cause), Jan McCoy (absent with cause), Larry Smith via Zoom, Bill Hickey, via Zoom Drew Lawrence via Zoom, Mike Parkman, via Zoom, Marilyn Corazza Manager, (absent with cause), Julie Durda, Administrative Assistant

Guests: Royce Pauley, 453 Hibiscus via Zoom

Proof of notice of the meeting: The meeting notice was posted June 15, 2024, at 6:14 PM

Approval of May 14, 2024, Minutes

Larry Smith motioned to accept the May 14, 2024, meeting minutes as presented. Motion was seconded by Drew Lawrence. All were in favor. Motion carried.

Monthly Financial Statements

Karen Harding provided an update to the committee on the status of Resource Property Management's (RPM) production of monthly financial statements. RPM experienced issues with the Vantaca software system itself which has resulted in delays in their production of both April and May 2024 financial statements. Karen has been in contact with the Assistant Controller who has indicated that production of those statements will resume shortly. April and May statements will be presented at the July meeting.

Karen indicated that she would like to maintain a monthly meeting schedule that would fall on the Wednesday of the week before the Board of Directors meeting. That would mean the next meeting would fall on July 17, 2024.

Share Sales Reconciliation

Karen had distributed the share sales reconciliation to May 31, 2024, prior to the meeting. Year to date nine new shares were sold, six new shares for vacant lots and 3 were conversions from rental units to shareholders. Cash for those sales was deposited to the Bank of OZK.

Edward Jones CD Investments

Edward Jones CD investments total \$2,800,000 with rates from 4.7% to 5.45% as of May 31, 2024. The summary of investments on hand on May 31, 2024, was circulated prior to the meeting and reviewed. Karen highlighted that two cash deposits are maturing in July, one on the 18th and the other on the 25th. Larry Smith made a motion to reinvest on CD with a term of December 2024 and the other with a maturity date of July 2025. The discussion led to the withdrawal of that motion and a suggestion by the Chair that we seek advice from Edward Jones as to their prediction of future interest rates. The question was whether it would be better to lock some of the CD's in for a longer period to take advantage of current rates in case they decrease in the next months. Karen indicated that she would follow up with Edward Jones and report back at the next meeting in July.

(Subsequent to the meeting Karen Harding indicated to the committee that she misspoke about the timing of decision making – the Board meeting in July is not until after the committee meeting, but too late to decide in advance of the maturity dates of the July CD's. She is therefore going to make a motion at the June Board meeting as was initially discussed at this meeting).

Finance Committee Charter

The committee reviewed the charter draft that had previously been circulated. Karen went through the charter line by line, and Larry had several suggestions for changes that were incorporated into the draft based on agreement of the members of the committee. Bill Hickey expressed his opinion that he felt the document was "legal" and perhaps we did not need to do a charter. Larry expressed this opinion as well as did the guest in attendance, Royce Pauley. Gary and Karen both highlighted the importance of documenting the boundaries of the committee and what role the committee has in relation to the administration of Sunset Palms. The committee agreed and continued to work through the draft. Bill and Larry expressed their dissatisfaction regarding the wording in the Authority section. Gary expressed the importance of highlighting what authority members do have. Karen volunteered to take that section away and propose new wording to the committee. Larry wanted the roles & responsibilities section to be updated with the 2018 guidelines document wording he had received from a previous park manager. Karen reminded the committee that the Treasurer's role is outlined in the by-laws and that is why the reference to those by-laws in this section. Karen will modify the members roles with the 2018 guideline document as a guide and recirculate the draft to the committee.

Larry asked to be heard regarding the potential investment of what he perceives as excess cash on hand in the Bank of OZK to Edward Jones. Karen indicated that she would like to take some time to determine the cash flow needs of the park over the next few months and gain a better understanding of how cash flows as the reserve funds payments recently approved at the Board meetings while they are funded by reserve monies are initially paid by the operating funds bank accounts and then reimbursed, so cash flow

needs and timings need to be considered before each transfer of funds. Karen will provide a draft cash flow projection at the next meeting.

Adjournment

Motion to adjourn was made by Gary Thrasher, seconded by Karen Harding. Motion passed unanimously. The meeting adjourned at 10:37AM.