



SUNSET VILLAGE, INC.
Finance Committee Meeting

Friday November 15, 2024, at 10:30 AM Maintenance Conference & Zoom
Zoom Link:

<https://us06web.zoom.us/j/88436698941?pwd=o8aX1TUb2jDOrAaOfCFommThPbblXa.1>

Meeting ID: 884 3669 8941 Passcode: 133689
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 10:32 AM by Karen Harding

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

Guests: Maureen Harvey (lot 569)

Proof of notice of the meeting: The meeting notice was posted November 12, 2024, at 10:20 AM

Approval of Minutes: Drew Lawrence made a motion to accept October 17, 2024, Finance Committee Meeting Minutes. Seconded by: Roberta Maynard. The motion passed unanimously.

Unfinished Business: None

New Business:

Review monthly financial statements for the month ending October 31, 2024

- Balance Sheet – Certificates of Deposits (CD's) total \$2,600,000. Operating savings is \$611,620, which includes \$400,000 from two CD's that matured in late October 2024. Edward Jones reinvested the \$400,000 on October 31, 2024, in two (\$200,000) CDs which will be reflected on the November statement. There was \$1,800,000 held in Certificates of Deposit in October 2023.
- Accounts Receivable is down to \$7,979 at the end of October. \$3,700 is 0-30 days \$2,800 30-60 days \$1,488 greater than 60 days. Marilyn continues to reach out to residents to bring accounts up to date and collect funds. We need to encourage residents to use the ACH payment system.
- No shares were sold in October. 14 shares sold in 2024.
- 121 real estate transactions were processed through the office YTD. Share transfers, new unit sales, sales of existing home and sublets.
- Year to date net income is \$115,964.

- Income statement – Rental fees decreased. Five renters converted to shareholders so far this year.
- Repairs and maintenance expenses were under budget this month but are over budget year to date. Lawn maintenance is over budget by \$5,000 for the month, hurricane damage, repairs and related costs to the end of October totaled \$7,500, (pump truck \$6,350 and portable toilets were \$1,163).
- The office filed the required paperwork for the hurricane damages with the insurance company. On November 7, 2024, the adjuster inspected the park and assessed the damage. Reviewed items covered and excluded. Currently, the insurance company is reviewing the claim.
- Payroll will even out on the November statement to include the added employee.
- Net Operating Income was \$23,876 for the month and \$8,380 after depreciation expense.
- \$32,758 was spent from the Reserve Fund and \$13,333 was the monthly allocation from the operating fund to the reserve fund.
- The net of Social Committee transactions for the month was \$888.
- Reserve accounts capitalized for the month were \$54,239.

Certificate of Deposits Review

- Two CDs \$200,000 each matured on October 24th and 25th, 2024 and were reinvested on October 31, 2024. The rate for one \$200,000 was 4.05% and 4.1% for the second. Each one was reinvested for a further 12 months.
- A \$200,000 CD matured on November 14, 2024, and at the October 30, 2024 Board meeting the Board approved to reinvest this CD at the best rate for 12 months.
- The committee discussed the next five CDs that are maturing in January 2025.

Motion: Gary Thrasher made a motion; the Finance Committee hereby recommends that the Board of Directors approve the five \$200,000 Certificates of Deposit that will mature in January 2025 be reinvest as five \$200,000 Certificates of Deposits that will mature in January 2025 and seek April 2025 maturity dates for two of them, December 2025 maturity dates for two of them and a January 2026 maturity date for one of them.

Seconded by: Larry Smith. The motion passed with a unanimous vote.

Fixed Asset Addition Summary

- Fixed assets purchased each month and year to date are itemized and identified by funding account. The report is working well. Year to Date additions are \$310,324. Total fixed assets at the end of October are \$17,522,375.

Reserve Expenses

- reviewed the projected Reserve expenditures for 2024 which some expenses are budgeted. A discussion ensued surrounding the water pipe breakage issues the park has been experiencing. The water pipes are old and there have been several water breaks throughout the water system. The committee agreed this is a valid concern and an evaluation should be conducted of the system. The Reserve study will be reviewed to identify any money available for the project.

Revision of the 2025 Budget

- City of Pinellas passed a new ordinance in August 2024 which effects the utility billing for all park residents. As of March 1, 2025, the city will be billing the park for all 520 lots a minimum of 3,000 gallons of water as well as sewage and trash monthly. This is for all residents no matter if they are in residence or not. The master water meter will be read monthly, and the association will be billed the 3,000-gallon minimum per household multiplied by 520 lots or the water meter reading whichever is greater. The annual expense is budgeted for \$434,843. The utility bill will increase again in October of 2025. This expense is going to be an operating expense and needs to be added to the budget. The additional cost to the park will be included in the monthly maintenance and rental fees.
- The budget has been set for 2025, so it needs to be rescinded and revised.
- For the shareholders, maintenance fees in January and February 2025 will be \$100/month as per the original 2025 budget. Starting in March 2025, maintenance fees will increase to \$183.05 to include the utility bill.
- For the renters, the rental fee remains at the current rate for January and February 2025. Starting in March 2025, rental fees will increase by \$142.05 to include the rental increase of \$59.00 per month and the calculated average utility bill of \$83.05. The budget will not be balanced but it will reduce the amount of prior year surplus from \$151,913 to \$134,254.

Motion: Karen Harding made a motion to recommend to the Board that they approve the revised 2025 budget as presented here today. Total income will be revised from \$1,056,386 to \$1,482,702, total expenses will be revised from \$1,208,299 to \$1,616,956 to accommodate the increased water expense and the use of prior year surplus will change from \$151,913 to \$134,254. Maintenance fees will increase from \$100 to \$183.05 on March 1, 2025 and rental rates will remain unchanged for January and February 2025 but will increase by \$142.05 (\$59.00 plus \$83.05 for water) as of March 1, 2025.

Seconded by: Larry Smith. The motion passed with a unanimous vote.

Adjournment

Motion to adjourn was made by Karen Harding, seconded by Gary Thrasher. Motion passed unanimously. The meeting adjourned at 11:49 AM.

Respectfully Submitted:

Roberta Maynard