

Finance Committee Meeting Minutes

Location: Charleston Pool Office

Date: Friday June 29, 2007

Time: 10:00 am – 12:00 noon

Attendees:

Ron Murphy (chairman)

Frank Ingrassia (communications)

Ron Weismehl (procedures)

Alasdair MacLauchlan (ad hoc)

Jean Gregory (Treasurer)

Unable to attend:

Cheryl Anderson (ad hoc)

DISCUSSION

May 2007 Review

The Finance Committee reviewed the Budget vs. Actuals through the month of May, noting several items of interest:

Overall, our Expenses are running \$36,535 ***under Budget*** through May, but Grounds will soon be picking up the slack as their refurbishing work has begun. We presently show \$69,500 in Net Income, but there remains another \$15-20K to write off due to delinquencies, etc., and the legal fees to collect same. Thus, our Net Income is really only about \$50K, before considering the Grounds efforts, which are estimated to cost \$52,500 (plus \$5500 from Working Capital). That washes out our 'perceived' net income advantage, while we stay '***on budget***'.

Legal Fees-Water Issue are \$42,439 to date, close to our budgeted \$45,833, but we expect these to wrap up within the next month or so, as we receive the final bills for work on the contract with Neal Communities. Treasurer Jean Gregory estimates that we will have another \$25K+ of bills to come, and that our ***final*** Legal Fees on the Water Issue should wind up around \$65-70K for the year (we had budgeted \$110K for this, plus a surplus of \$6770 in net water license fees).

The **Janitorial Contract** is minus one month's billing, or else the actual and budgeted amounts would both be \$7,030.

Irrigation Repairs should be \$12,395 to date, in line with our budgeted \$13,446. This month's figure of \$16,091 had \$3,695 allocated here instead of obtaining the funds from Working Capital; AMI will make that adjustment.

Noting some extraordinary items on the Revenue side, **Misc. Income** includes \$12,666 in money reimbursed to the HOA from the CDD. There is also \$12,782 in **DSR** (Debt Service Reduction) interest received. **Legal Fee Recovery** income includes money from a recent homeowner lawsuit (in which we will net a \$4K loss in legal fees while winning a \$20K judgment), after applying other legal expenses to recover costs and bad debts in the amount of \$1430.

Working Capital & Capital Replacement

The Financial Committee was pleased to note that these two funds should accumulate to a combined total of \$124K, plus interest, by the end of the year. Bank account balances to date correlate with our projections for YTD.

2008 Budget

Ron Murphy then discussed preliminary plans and a timetable for preparation of the 2008 Budget and a Ten Year Plan, and asked for input from the FC members before the next meeting on outstanding questions and concerns to resolve in the next iteration of the budget, which we will begin developing in August.

In Memoriam

The committee sadly noted the passing of one of our members, **Roy Sethna**, for whom a memorial service at the Unitarian Universalist Church will be held on Saturday July 7, at 4 pm.

The FC meeting adjourned at 12:00 noon.

Next Meeting

The next Finance Committee meeting is scheduled for **Wednesday, July 18th**, at **11:00 am** in the Charleston Pool office.

FJI 06/30/07