

**Regency Budget and Finance Committee
April 27, 2017 Minutes**

Committee Members Present:

Vincent DeSimone, Committee Chairman
Richard Ash
Alan Datz
Gerald Kryzkowski
Edward Leski

Additionally Present:

Charles Lerman, Board Member
Stephanie Harmon, Property Manager, First Residential

The meeting was called to order at 2 PM on April 27, 2017

The minutes of the previous March 22, 2017 were unanimously approved.

Vincent DeSimone stated that future meetings will take place as scheduled on May 25, June 29, July 27 and August 31 at 2:00 PM.

The review of the Kipcon report was questioned by Vincent DeSimone who suggested that the Budget and Finance Committee should have input into the report. Charles Lerman suggested that a review with Kipcon should be held off until after the Board elections and a new Budget and Finance Committee is selected to avoid bringing Kipcon representatives in twice for the review. Vincent DeSimone suggested that the report may get stale since Kipcon only comes every two years for an analysis. He suggested that he would like to address the Board since it is the largest item in the budget. Charles Lerman stated that he would approach the Board but reiterated that he feels that Kipcon coming twice is not advised since the Board and Budget and Finance Committee may be changing. The suggestion was made that a meeting with Kipcon be scheduled after September when the new Board and Budget and Finance Committee have been finalized.

There was a discussion regarding the new Resolution adopted by the Board on 4/19/2017, Regulating Association Investments and Guidelines. Inasmuch as the Board and the Finance Committee shall sponsor regular workshops, Vincent DeSimone proposed that a report on the investments be prepared and discussed at each Budget and Finance Committee meeting. Charles Lerman advised that it was a huge undertaking for such a request on a monthly basis and suggested that a quarterly update would be more advisable since not many changes take place to the investments on a monthly basis. Vincent DeSimone will generate a synopsis of what the Committee wants to see in the report.

Gerald Krzyzkowski questioned the CD investments in the Reserve account as to whether (new issue) CD's other than structured CD's are considered when investing. He commented that a CD at par, not callable, could suffer interest loss if it was necessary to redeem it while a (brokerage) CD he invested in would suffer no interest loss if it was necessary to draw on it*.

Vincent DeSimone raised the issue of our HOA being on a fiscal vs. calendar accounting basis and presented a document that reflected changes in presentation which would indicate a positive variance on a fiscal basis. After much discussion that the effect would not be meaningful and would require a change in the HOA by-laws the suggestion was tabled.

Richard Ash stated that the HOA Board passes the budget and the Budget and Finance Committee looks at it after approval. He made a motion that this year or next a member of the Budget and Finance Committee be able, on an ad hoc basis, to attend the budget meeting to understand the process, make suggestions or provide input from the Committee on bids and proposals and other issues for budgetary purposes. Stephanie Harmon stated that the Committee member would not be present at Executive Sessions or Personal Privilege portions of the Board meeting. The motion was seconded by Alan Datz. The motion was approved by unanimous vote.

Vincent DeSimone questioned how the recent transition settlement would be spent. It was disclosed that presently the funds are in short term CD's rolling over on a 30-60-90 day basis and will continue on that schedule until the funds are required for disbursement. Stephanie Harmon stated that she has begun a process to develop a matrix and once that is developed and prioritized the funds will be dispersed as necessary.

Gerald Krzyzkowski addressed his analysis of the cleaning contract which was raised at a previous meeting. He stated that Regency was billed for approximately \$56M-\$57M per employee for the year. He then proceeded to provide the details per employee. As a result of his presentation it was concluded that the numbers would be confirmed to the contract and the new contract will be reviewed for competitive rates and it should be bid out for that purpose.

The meeting adjourned at 4:30 PM.

Edward Leski