

Regency Budget and Finance Committee SEPTEMBER 8, 2016 MINUTES

Committee Members Present:

Vincent DeSimone, Committee Chairman

Alan Datz
Edward Leski
Fred Gersten
Gerald Krzyzkowski
Judy Russo
Mark Spinner
Richard Ash
Robert Okin

Also Present

Charles Lerman, Board Member

The meeting was called to order at 3PM.

The minutes of the June 30th meeting were approved.

Charles Lerman the liaison from the Board acted as the Committee Chairman and requested that he would like someone from the Committee to become Committee Chairman. Vincent DeSimone stated that he would accept that position and all agreed to his election as Committee Chairman. Mr. DeSimone then stated what his role would be.

The Committee agreed that as in the past one person from the Committee would act as recording Secretary at the beginning of each meeting. Mr. DeSimone stated that going forward he would select a recording Secretary for each meeting before the meeting starts.

Because there are budgeted line items on the financials with no corresponding amounts in the YTD Actual, there are timing differences. Also, because the Budget is an annual Budget, it does reflect expected budget amounts on a month to month basis. The Committee decided that a template should be created to spread the budget items into a twelve month breakdown so as to put into the individual months where certain items are more likely to be incurred rather than each item divided by 12. Many of the line items are not being accrued and there are items on the Balance Sheet that are not being amortized on a monthly basis. Vincent DeSimone and Bob Okin scheduled a meeting with Stephanie Harmon on 9/14/2016 and will report back to the Committee after the meeting with suggestions.

The golf course which seems to be a concern was discussed and we were told that membership had declined by approximately 50 members. Mr. Lerman stated that in the effort to try to increase membership the Golf Committee is considering a pending deal with Applied Golf (manages both the Regency and Concordia golf courses) to combine a membership of the two golf courses to have dual membership at a cost of \$1,350.

There were questions on the presentation of the financial statements which are being prepared under the guidance provided to First Services at the request of the former Committee Chairman. The Committee felt that we should bring in the First Service assistant controller to understand how the financials are currently being prepared. Mr. Lerman stated he would set that in motion.

We were told that there is currently an engineering study being performed on the HVAC system by our own engineers, so that we were knowledgeable as to what exactly had to be done to improve the system that has been operating improperly for a long period of time and presented to Toll Brothers as part of the transition process.

Charlie Lerman distributed to the Committee, the Regency Investment Policy and a print-out from Morgan Stanley, a listing of investments currently held in the account, for review and discussion. In conjunction with the reserve account holdings the Committee felt that they would like to have our JP Morgan broker, John Busco meet with the Committee to discuss his plan in purchasing and holding the investments. We want to better understand how he intends to make future investments. Charlie Lerman requested a small committee be formed to help him with the selection of investments. Vincent DeSimone, Dick Ash and Mark Spinner agreed to be part of that small committee.

Mr. Lerman further advised that there would possibly have to be an increase in the Reserve account contribution due to Sections 7 and 8 which is currently under study by the engineers.

The meeting was adjourned at 5:20 .

Respectfully submitted,

Alan Datz