



**FirstService**  
RESIDENTIAL

**BUDGET & FINANCE  
COMMITTEE  
MINUTES**

**APRIL 25, 2014**

**Minutes of the Finance and Budget Committee of the  
Regency at Monroe Homeowners Association, Inc.**

**April 25, 2014**

**The meeting was called to order by the Chairman, Jack Kaye, at 2:58PM.**

**Members present: Jack Kaye, Judith Burgis, Richard Frank, Steve Herman, Kiev Kortmansky, Joanne Murphy, Stanley Sandler, and Robert Zeglarski.**

**Also attending: Stephanie Harmon and Ida Porfirio, First Service Residential; Richard Lans, Resident Board Member and Mohammed F. Salyani, CPA, Wilkins & Gutenplan, P.C.**

**Mr. Herman acted as secretary for the meeting.**

**Upon motion by Ms Burgis, seconded by Mr. Zeglarski, the Minutes of the March 28, 2014 meeting were accepted and approved.**

**Mr. Kaye then summarized a meeting that occurred early in the day with Ms Porfirio and Mr. Salyani concerning issues of presentation of our internal financial statements and the audited reports. These concerned lack of conformity, presentation and formatting issues. As a result of this discussion some changes to both internal and external reports will be better "synced" in the future. The major changes will be to pages 18 – 22 of the Audited Report – SUPPLEMENTAL SCHEDULES that will conform to the income and expense captions used internally. Additionally, all future financial statements will contain the caption "UNAUDITED -SUBJECT TO YEAR END AUDIT ADJUSTMENTS". The audited Financial Statements included NOTE 15 – OTHER MATTERS that discussed capital reserves which have historically been included with replacement reserves. In the future the capital reserves will be shown separate from the replacement reserve.**

**Mr. Kaye then turned the meeting over to Mr. Salyani who discussed the audit and related audited financial statements for the year ended December 31, 2013.**

**Ms Porfirio and Mr. Salyani left the meeting at this point with the thanks of the Committee.**

**Mr. Kaye then reviewed the March Financial Statements. The only notable item discussed was the snow budget excess through March and Mr. Kaye's belief that Toll should consider the approximately \$85,000 positive variance derived from the Comcast renewal in 2013 before determining if there is to be any snow assessment for the current year. At the last open board meeting, the community was advised that the Board will not make any final decisions regarding a snow assessment until the year is completed.**

**A formal INVESTMENT POLICY is scheduled to be discussed at the May Board meeting. A draft will be distributed to the Committee after it has been reviewed by Toll's attorney.**

**Mr. Herman inquired about the status of the revised documents reducing the number of homes from 1,501 to approximately 1,327. Ms Harmon advised the Committee that Toll first needed to obtain the Township's Planning Board's approval before the changes can be made. Toll is currently in the process of seeking that approval.**

**There was a general discussion concerning the point at which the residents can gain control of the Board. Ms Harmon explained that in order to gain control of the Board with 6 resident members we need to have 996 units closed. We now have 900. It is estimated that the 75% threshold needed to trigger an automatic election will take another 18 months.**

**Upon motion, and duly seconded, the meeting was adjourned at 4:14PM.**



**FirstService**  
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# BUDGET COMMITTEE MINUTES

August 28<sup>th</sup> & October 23<sup>rd</sup>, 2014

*CPD*

Minutes of the Finance and Budget Committee

Regency at Monroe Homeowners Association, Inc.

August 28, 2014

The meeting was called to order by the Chairman, Jack Kaye, at 3:00 PM.

Members present: Jack Kaye, Judith Burgis, Richard Frank, Joanne Murphy and Robert Zeglarski.

Also attending: Stephanie Harmon, Community Manager.

Mr. Zeglarski acted as secretary for the meeting.

Upon a motion from Mr. Frank, seconded by Ms. Murphy, the Minutes of the June 26, 2014 were unanimously accepted and approved.

Mr. Frank suggested that since interest rates are likely to rise, the HOA investment ladder should be short-term oriented in order to take advantage of a sudden rate movement. The committee agreed that without deviating from our Investment Policy, the committee should review quarterly the investment ladder to ensure it mirrors planned expenditures (still leaving a significant cushion above estimated expenditure amounts) in order to at least double our investment returns.

Mr. Kaye reviewed his observations of the July 2014 financial statements. The conclusions of this group discussion are as follows:

- The caption - UNAUDITED-SUBJECT TO YEAR END AUDIT ADJUSTMENTS – will appear on every page of the financial statements, not just page one.
- The summary sheet of the financial statements will include the number of total units closed at the end of each month.
- Since Comcast is inadvertently under-billing us temporarily, we should accrue the under-billed amount monthly in order to insure that future periods do not get hit with a "catch-up" billing.
- Beginning next year, the HOA will assume the full cost of insurance coverage. Currently, our insurance costs are partially subsidized by Toll Brothers Inc. This should minimize large budget variances.
- Ms. Harmon will provide more detail (at her discretion) in the summary sheet regarding the larger expenditures made from replacement reserves.
- Differences between reserve cash on the balance sheet and reserve cash on the summary sheet will be reconciled monthly by journal entry or actual cash transfers before the financials are published.

There being no other business, upon motion duly made and seconded, the meeting was adjourned at 4:00 PM.

*CH*

# Regency Budget & Finance Committee

## Minutes

### October 23rd, 2014

#### Committee Members Present:

Jack Kaye, Chairman  
Joanne Murphy  
John Golebuski  
Steve Farron  
Vincent DeSimone  
Michael Fusella  
Stanley Sandler  
Alan Datz

#### Others Present:

Stephanie Harman, Community Manager  
Richard Lans, Resident Trustee  
Charles Lerman, Resident Trustee  
Mitchell Frumkin, Kipcon Representative

The meeting started at 2:00pm.

Minutes from previous meeting of September 18, 2014 were approved.

Mr. Kaye provided all committee members with a package containing his review comments on the Proposed 2015 Budget, his observations and comments on the September YTD financial statements and selected pages from the Kipcon Reserve Report which was used as a basis for determining the 2015 reserve funding requirements for both Maintenance and Replacement reserves.

The committee discussed various comments relating to the September financial statements and requested that Ms. Harmon arrange to highlight major expenditures from both Replacement and Maintenance Reserves each month on the summary page of the monthly financials.

The committee requested that the details of all investments be provided to the committee on a quarterly basis in order to insure, among other things, that the investment advisor is following the community's investment policy. Mr. Lans, the designated treasurer of the Regency Homeowners Association, agreed that such a report will be made available quarterly.

The 2015 Operating Budget was discussed. The committee was informed that Toll Brothers will continue to subsidize the budget for 2015 as they have done in prior years. If they choose not to subsidize the budget in future years, Toll Brothers will still be responsible for paying for all unclosed homes so long as they are still building in the community.

In response to questions, Ms. Harmon explained how the snow budget expense is calculated and how the township reimburses us for a portion of our costs for road maintenance.

Ms. Harmon explained that no township reimbursements are provided to our community until roads are completed by Toll Brothers and their bond is released.

The budget calls for a \$10 increase in maintenance fees for 2015. The committee agreed to recommend that the 2015 budget be adopted by the Board of Directors..

Mr. Frumkin from Kipcon joined the meeting at 3pm. He was invited to explain the various methods used to calculate both Replacement and Maintenance Reserve funding requirements and he reviewed the details of the funding report that was used to determine the reserve funding requirements for 2015. Our community has historically used the FULL FUNDING METHOD for calculating reserve funding requirements and we are projected to be at approximately 82% of FULL FUNDING BY December 31, 2014. Mr. Frumkin explained that our funding methodology and funding levels are very conservative and that a funding level of 70% or more are extremely conservative. Mr. Frumkin responded to questions regarding what alternatives would be available to the community after Toll is no longer involved. He indicated that we could consider changing to a THRESHOLD FUNDING METHOD that would provide much greater flexibility in the amounts required to be funded annually.

The meeting adjourned at 4:30 pm.

Respectfully submitted:

Joanne Murphy, acting Secretary