

Hammocks Community Association Inc.

Minutes of the Finance Committee Meeting November 15th, 2023 – 7:00PM

1. Call to Order

The meeting of the Finance Committee was called to order by Kristen Gurucharri at 7:05pm.

2. Determination of a quorum

Present: Receiver Judge Gersten is present therefore Quorum is established.

Advisory Board Members Present:

Kristen Gurucharri

Idalmen Ardisson

Frank Perez

Chris Recicar

Evelio Aleman

Jesmany Jomarron, Association Counsel; Jackie D. Greenberg, Association CPA; Zoe Azpeitia, Anthony Serrone; FirstService Residential.

Resident sign in sheet attached, and approximately residents attending via zoom.

Judge Gersten formally appoints Anthony Serrone, with FirstService Residential, as Secretary for the purpose of taking minutes.

3. Proof of Notice of Meeting

Anthony Serrone advised that Management posted notice for the meeting on all the bulletin boards throughout the community and on the association website on Monday, November 13, 2023.

4. Old Business

- Judge Gersten – I have tasked this committee along with the neighborhoods committee to make suggestions regarding the allocation of the 2 million dollars from the lawsuit we won. I believe the amount recovered has increased since then. The number 1 outstanding item that the neighborhood wants is fencing. Other suggestions have been lighting, asphalt, and roofing. Does anyone have anything else to add?
- Idalmen Ardisson – I gave Judge Gersten a list of things that need to be repaired including the landscaping, the walls, drainage in all aspects of the community. Also for security purposes, installing gates that are only for residents so that individuals with bad intentions will not be able to access the lakes. We all agree that fencing is the biggest issue.
- Frank Perez – Chicky (Idalmen Ardisson) has gone over the same topics that I think should be recommended. What Chicky is proposing is a fix right now for the fence, I am proposing a future fix so that this does not happen every five or ten years. I am more inclined to have a future reserve. I have paving and resurfacing on the trails, painting of the exterior walls for the community, sanding the beaches, pool and deck resurfacing, as well as hurricane cleanup, which we do not have a reserve for.
- Kristen Gurucharri – Those are the list of recommendations, which is not a short list. We have given the list of recommendations to the receiver so we can use the funds that we have for the necessary projects. Does anyone have anything else for old business that they want to address?

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5. New Business

- Kristen Gurucharri – We still need to go over the 2024 budget and we have a lot of questions. You can find those on The Hammocks website.
- Idalmen Ardisson – Is Melissa Vazquez listening?
- Anthony Serrone – She is not in attendance. I would like to go over something that pertains to the budget before we get started if that is ok.
- Kristen Gurucharri – Sure.
- Anthony Serrone – The budget is broken down by the Master Association and the 18 neighborhoods. Those budgets then are linked to the schedule of proposed maintenance that outlines what the residents are responsible for paying to the Master and the neighborhood that they reside in. They are linked by formulas in excel so if you change the numbers, the formulas will change the outcome, or proposed schedule of payments. We are currently on draft 8 of the budget and somewhere along the line, the formulas got deleted. Therefore, when we made the changes to the budget, the schedule of proposed maintenance did not calculate the correct outcomes, or maintenance fees. Melissa is aware of this and is going to have this fixed and the fixed excel spreadsheet with the budget will be posted tomorrow.
- Kristen Gurucharri – Thank you for the update. The update will be applied and will be posted tomorrow on the website.
- Idalmen Ardisson – Another thing that needs clarification is the contracted employees. I was told that there are currently 19 employees. I was under the impression that there were 31 and that needs to be clarified because that is a big span between 19 and 31. I would like to know if there is a janitor that is making \$120,000 per year as listed on the budget. Also, there are 5 pool attendants that are making \$80,000-\$90,000 per year. We need clarification on the positions and how much they are getting paid. That is the main thing that I see. Also, the electricity is still off. Now I know that something that is contracted with FPL, but it is based on usage. My community is paying about \$16,000 for electricity, while Juniper is paying almost \$12,000 less and Juniper is a lot bigger. Also, looking at all the bills, how can we pay more in summer when there is more light than winter when there is less. Another question that was posed by the homeowners is from the contract where it says Management Services. It says \$26,000 or \$27,000 and yearly is \$321,000 and what is the difference between that and the Salaries and benefits?
- Anthony Serrone – The salaries and benefits are a pass-through cost to the association for the employees that FirstService Residential provides. You pay for the employees as if you would have if The Hammocks Community Association would have hired them, directly. FirstService Residential does not pay for that. Management Services is what FirstService Residential gets paid per what is outlined in the contract. Regarding the employees, the budget that we are looking at adopting will include obtaining more personnel to run the association. This is a big association that requires a lot of personnel.
- Idalmen Ardisson – Please get me the information pertaining to how many employees we currently have and how many we are looking to hire. Also, it states that this contract is stated to be renewed with a 5% increase. Should this contract go past December, is this 5% increase included in the budget since we are looking at the budget for 2024?
- Anthony Serrone – When our company is doing budgets, we have a budget checklist. One of the items on the checklist is to look at our contracts that are being renewed and including whatever the increase is for the next year, so I am sure that Melissa included this in the projection for 2024.
- Kristen Gurucharri – Thank you for that and we are looking forward to answers to those questions. We want to approve the budget but there are a lot of questions that we need to answer to move forward and be comfortable. Do any other committee members have any questions?

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6. Owner Comments on Agenda Items

- Janine Manzano – Live Oak
 - I would like to comment on the legal fees listed on the budget for collections. I hope that the issue with late fees is being fixed.
 - Anthony Serrone – FirstService Residential is working on the late fees that were recently applied for homeowners that had an outstanding balance. There are residents with outstanding balances on their account because the forensic accountants have not been able to link their payment to the account where the money was sent. They were assessed late fees and the reason is because when late fees are assessed, they have to be apply the late fee policy to everyone equally. Now they are a special case because their accounts are still being investigated and those fees will be taken off. Nevertheless, they had to be assessed because the policy must be applied the same for everyone.
 - Janine Manzano – I have a question about reserves, I don't see it being addressed. The answer that has been given is that there are no reserves allocated for neighborhoods that can be used but if I am not mistaken, there is something in the documents that states that if money is reserved for one thing it cannot be spent on another item.
 - Anthony Serrone – Yes that is true when you are talking about reserves. If you have a roof reserve and have money allocated for that purpose, you cannot use that money for anything other than that item. The budget is different; it is just an estimate of the money that you expect to spend in the coming year. You can spend more in one category and that can be offset by spending the same amount less in another category.
 - Janine Manzano – I saw the telephone bills posted on the budget but could not see it clearly. Why are those phones so expensive?
 - Anthony Serrone – That is for the phone lines that are for The Hammocks here at the clubhouse. There is 7 phone lines dedicated to The Hammocks and we are trying to migrate those numbers over to another vendor so that the price will be cheaper.
- Marco Antonio Real – Live Oak
 - Thank you for bringing up the issues with the personnel and the income, Chicky. Why is Melissa Vazquez not here tonight?
 - Anthony Serrone – The format that we have been using for these meetings is the intake of questions and clarification of those questions that are posted online for the community to see so that we are being as transparent as possible?
 - Marco Antonio Real – How does that compensate for her not being her on this important night?
 - Anthony Serrone – Zoe and I are also representatives of FirstService Residential and if you have any specific questions about the budget, we can do our best to answer them. What are the specific questions that you have?
 - MarcoAntonio Real – Who prepares the budget? For review and final decision?
 - Kristen Gurucharri – FirstService Residential prepared the budget. It was looked over by the CPA and attorneys then we get the budget when everyone else does. It is a constant back and forth and there have been a couple of drafts. Judge Gersten is the final decision maker to approve the budget.
- Todd Botner – Oakwood Estates
 - At the last finance meeting it was brought up to have a company come out and do an audit of the lights. Are there any action items on this?
 - Idalmen Ardisson – I have stipulated that the electricity off. For example, the Juniper budget is almost \$12,000 less than the Paseos II budget and it does not make sense since it is a bigger community. I can say that there are going to be action items to come.

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- Ray Perez – Spicewood
 - Does each individual community get its own invoice or is it a total of the whole neighborhood?
 - Anthony Serrone – There are around 45 different meters, so I don't know if each has its own meters individually.
 - Idalmen Ardisson – I am seeing 29 meters. Where are you getting 45? Is that the entire neighborhood?
 - Anthony Serrone – I would have to research that, I thought it was 45.

- Damarys Flagiello – Chantarelle
 - As far as suggestions for what to do with the money, I would like to see the gym updated. Also, I would like to see more security including lights, cameras, and more gates. I was wondering what recreational maintenance is for?
 - Anthony Serrone – that is usually for the maintenance of the recreation centers where the pools are.
 - Damarys Flagiello – But the pool has a line item already.
 - Anthony Serrone – Yes that is for the specific pool maintenance and if there is anything that need to be maintained on the pool.
 - Damarys Flagiello – How much is left after the legal fees for us?
 - Jesmany Jomarron – A significant amount of that money will be put in a reserve that will specifically outline what we are planning to use for big projects within the neighborhood.
 - Damarys Flagiello – I'm not asking that. What I am asking is how much of the money is going to be left over after the lawyers get paid?
 - Jesmany Jomarron – Yes, the receiver Judge Gersten, gave us this answer already. All you have to do is look at the board minutes. He went settlement by settlement. That is all going to be in the minutes of the meeting.
 - Damarys Flagiello – I also found examples of things in the budget that do not require counsel such as tree trimmings, architect, configuration of clubhouse. I would gladly show you my data and you can vote yest or no because I don't think its just met. How can the board suggest to the judge not to use council for administrative tasks?
 - Idalmen Ardisson – Judge Gersten is the board. We make recommendations as an Advisory Board of Directors to the Judge but it is ultimately his call on what happens.
 - Damarys Flagiello – Can I please get a copy of the 2018 audit? I just want to see the numbers.
 - Jesmany Jomarron – I believe you emailed me and I responded that I am working on getting you a copy.
 - Damarys Flagiello – the last thing is the financial statements. They are only posted through July. We need to have the rest uploaded

- Zoom Attendee questions
 - Where is a drill down cost per property address. My property at most has 3x5 feet common grass areas which hardly ever gets cut so I cut it myself. Also, why should I be charged the same electricity as other that have good lights because they have a light post in front of their property?
 - Anthony Serrone – The documents outline the percentage of the common expenses that your property is responsible for in your neighborhood that are appurtenant to your unit.
 - What are we doing to prevent liability and/or workers compensation exposures, when using contractors for work to be done in our community.

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- Anthony Serrone – we require that all vendors submit their insurance before hiring them.
- How many employees will be hired for clubhouse attendants in 2024? \$427,253 seems like a lot of money when 2 of the clubhouses are not operational
 - Anthony Serrone – The intent is to have them operational for 2024 so we have to budget for the personnel that will be staffing the pools when they open so that we don't go over budget if it is not planned for.
- Jesmany Jomarron – What is missing for the final Budget?

MOTION

To detail how many employees will be hired and specific figures as to what they will be paid in those positions.

Motioned by: Idalmen Ardisson

Seconded by: Kristen Gurucharri

Motion carries unanimously

MOTION

For clarification on the electricity bills and where the numbers are coming from.

Motioned by: Idalmen Ardisson

Seconded by: Kristen Gurucharri

Motion Carries unanimously

MOTION

To adjourn the Finance committee meeting

Motioned by: Idalmen Ardisson

Seconded by: Kristen Gurucharri

Motion Carries unanimously

Meeting adjourned at 8:20 PM.