

Hammocks Community Association Inc.

Minutes of the Finance Committee Meeting June 4th, 2024 – Clubhouse and ZOOM

1. Call to Order

The meeting of the Finance Committee was called to order by Pete Cabrera at 7:00pm.

2. Determination of a quorum

Present: Pete Cabrera
Evelio Aleman
Katherine Johnson
Frank Morrison

Anthony Serrone, Melissa Vazquez; FirstService Residential.

3. Proof of Notice of the Meeting

Anthony Serrone confirmed that the Notice of the Meeting was posted on the Association website and on the bulletin board throughout the community on Friday May 31st, 2024

4. Approval of the Previous Meetings Minutes

MOTION

To approve the meeting minutes for the May 6th, 2024, meeting of the Finance Committee.

Motioned by: Pete Cabrera

Seconded By: Frank Morrison

Motion Carries Unanimously

5. New Business

a. Review Financial Statement for April

- Melissa Vazquez reviewed the financial statements for the month of March with the Finance Committee. Financial statements attached.
 - Month end cash balance – \$4.3 million
 - Deferred Master Maintenance – \$1 million
 - Prepaid Assessments - \$615,000
 - Available Cash Balance - \$2.7 Million
 - Income - \$460,000 for Master, Neighborhoods ~\$43,000
 - Non-Recurring Income - \$150,000 – Included legal settlement of \$106,000
 - Discussed consolidated financial statements
 - Current Outstanding Assessments – Prior month was \$1 million, currently \$1.3 million because April is the first month of the quarter.
 - Discussed what the different statuses on the ledgers are (i.e. cleared collections, RM, etc.)
 - Judge Gersten and the Board of Directors looking at different collection's agencies.
 - Expenses did not have much of a variance.
 - Trends to watch are still the legal fees, insurance, tree trimming, and accounting fees.

b. Budget Timeline

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- Frank Morrison brought up the topic of how much to allocate for Neighborhood projects, such as storm drain cleaning, which he stated has historically been a neighborhood expense and is now being charged out of the Master operating account. Melissa Vazquez is going to build the budget with allocations for neighborhood projects. If the Judge or Board of Directors decides to allocate money for neighborhood reserves, that can be removed from the balance of what is to be collected.
- August will be the latest that a first draft of the budget will be produced. The Committee will work on the budget thereafter and have a budget ready to recommend to the Advisory Board of Directors by September or October. The neighborhoods will each require projects which will need to be recommended by the Advisory Board of Directors from the recommendations of the Neighborhoods Committee.

6. Old Business

a. Role of the Finance Committee

- The roles and responsibilities of the Finance Committee as outlined and recommended by the Committee at the previous meeting was not accepted by the Advisory Board of Directors at the Advisory Board of Directors meeting.
- Frank Morrison and Katherine Johnson were requesting clarification on why the Board of Directors denied the responsibilities. The intention of the roles and responsibilities, as stated by Frank, is to advise the Board of Directors, not to make any decisions as the Advisory Board of Directors is the decision-making body in the Association.
- Evelio Aleman stated that the Request for Proposal process should be a function of the Property Management company. The role of the Finance Committee is to state if they projects are staying within the outlined budget.

b. Recommend the Advisory Board of Directors and Receiver on Interest Bearing Account.

- Melissa Vazquez had the financial team prepare a banking analysis for The Hammocks. Metropolitan Bank is offering an interest rate of 4.75%. The association could keep \$1.5 Million dollars in the bank and move any monies in excess of that to an interest-bearing account that would produce an extra \$136,000 for the Association per year. The money would be liquid and FirstService Residential would not receive any compensation for this transaction.

MOTION

To recommend to the Receiver and the Advisory Board of Directors that they move any funds in excess of \$1.5 million dollars in the operating account to an interest-bearing account with Metropolitan Bank.

Motioned by: Pete Cabrera

Seconded By: Frank Morrison

Motion Carries Unanimously

7. Owner Comments on Agenda Items

- AnaLaura Morales – Paseos I – All neighborhoods have a budget, is money going to be collected for project items? And would extra money carry over to save for the future? Not all neighborhoods have representation in Neighborhood Committee.
 - Yes, there will be an account for project expenses and any money that is collected that is not spent will roll over. The chair for the neighborhood will have to figure out what to do for those neighborhoods.

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- Don Kearns – Villas at The Hammocks – Potentially the Master could loan money to the 18 neighborhoods after conducting a SWAT analysis for each neighborhood to see the areas of opportunity. The Board of Directors and Receiver could also look into taking out a loan to provide funds to the neighborhoods to improve their conditions and the neighborhoods would pay the loan down.

MOTION

To recommend to the Receiver and the Advisory Board of Directors that the Neighborhoods Committee identifies the top 5 most critical Improvements needs in the 18 Hammocks Community Association Managed Neighborhoods and have FirstService Residential start to get quotes for the projects.

Motioned by: Evelio Aleman

Seconded By: Frank Morrison

Motion Carries Unanimously

- Maria Lopez – Peralta – Oakwood Estates – A project that is really needed in Oakwood Estates is the repair of the speed bumps.

8. Adjournment

Motioned By: Pete Cabrera

Seconded By: Katherine Johnson

Meeting adjourned at 7:22pm

Motion Carries Unanimously