

The Oceanage Association, Inc.
Finance Committee Meeting
August 27, 2025
Meeting Minutes

Attendance:

Committee Members Present:

Michael Crowley (272) – Chair
David Burka (186/187)
Jody Dreyfuss (107/108)
Ed Paneque (164)

Property Manager Present:

Sean Arena

Agenda:

- 1) Financial statement results for July 2025
- 2) Discussion of a Draft Spending Limit Authorization Policy

Discussion:

1) Financial statement results for July 2025:

a. Balance Sheet:

- i. Reserve Cash Accounts - the total in our Reserve checking and savings accounts was \$957,258.09 at 7/31/2025. The 3rd quarter 2025 funding of \$100,000 occurred in July.
- ii. Account 1210 Assessments Receivable – the balance of \$16,167.68 relates primarily to four unit owners who had not paid their 3rd quarter maintenance fees as of 7/31/2025. All four were subsequently paid in August.
- iii. Account 3770-3 Pooled Reserve expenses – includes \$2,500 paid to Jack Brown for consulting services related to the phase 1 roof replacements
- iv. Account 3710-2 Reserve interest current year funding – in response to a question from unit owner John Pietrzak, year-to-date earnings on the association's Reserve investment accounts was \$17,976.08 through 7/31/2025.

b. Statement of Revenues and Expenses:

- i. Account 8050 Insurance, as expected, is \$11,599 favorable to the budget. Also, we were notified by Peter Catallo, our insurance broker, that we will be receiving an additional \$10,000+ reduction in our annual premium from Citizens Insurance. This reduction will be recognized over the remaining term of the policy.
- ii. Account 8120 Maintenance payroll – favorable to budget by \$4,600.56 due to the budget including a bonus expense not paid in July

- iii. Account 8213 Tree trimming - \$15,370.00 expense in July brings the total year-to-date expense through 7/31/2025 approximately equal to the total 2025 budget. Per Sean, except for an additional requirement for coconut trimming, this should complete our tree trimming for 2025.
- iv. Account 8218 Dock expense – unfavorable to budget by \$2,531.37 due primarily to \$2,528 paid to Barnacle Kings for overdue barnacle removal from the pilings. This cost should be included in future budgets.
- v. Account 8525 Contingency expense includes \$2,475 paid to MJK Electric for final guardhouse camera wiring. The total MJK Electric contract was \$4,950.00
- vi. Actual Net Income for the month of July was \$5,292.60. July year-to-date Net Income was \$73,455.05 or \$50,528.05 favorable to budget.
 - 1. However, since the 2025 budget does not include funding for the \$51,442.15 accumulated deficit as of 12/31/2024, our total equity as of 7/31/2025 was \$22,012.90

2) Discussion of Draft Spending Limit Authorization Policy

- a. Mike Crowley led a discussion of an updated draft of a Spending Limit Authorization Policy. The updated draft is based on requested edits from the prior Finance Committee meeting as well as additional edit requests received since that meeting. Additional requested edits included:
 - i. Section 2(f) – clarify the term members to mean Committee members who are not members of the Board of Directors
 - ii. Section 3(e) – reword the Board of Director approval requirement to be commitments over \$15,000
 - iii. Section 3(f) – in 2nd sentence, change ‘and’ to ‘and/or’
 - iv. Section 3(g) – change \$10,000 to \$15,000 to be consistent with other clauses in the document
 - v. Section 3(h) – remove the term ‘completion %’ since the chairman reviews the vendor requisitions for more than completion %.
- b. Mike Crowley will prepare an updated draft including all requested edits for further review and approval by the committee.

3) Other items discussed:

- a. Discussed the accounting for an approximate \$29,000 invoice to be paid to Kripps for the oceanside seawall repairs. It was agreed that this cost should be charged against our reserves.
- b. Discussed the accounting for a potential cost to replace the pool furniture at an estimated cost of \$18,000. This purchase must first be approved by the Board of Directors. The discussion centered around the recording of this cost against our reserves or as a Contingency expense in operations. Opinions were split as some members consider this a capital expense that should be charged against our reserves and other members consider this an operating expense to be charged as a Contingency expense, later to be reclassified to our Furniture and Fixture Fixed Asset account. A final determination will be made at a later date after discussion with our accountant.

- c. Discussed the options of the funding of future reserves related specifically to large projects (e.g., flat roof replacements in 2041). The options include:
 - i. Spread the funding over the next 15 years as the association has done in the past;
 - ii. Fund the reserve as a 'planned assessment' as a one-time assessment in 2041.
 - iii. After discussion, it was recommended by the committee to continue funding the reserves as we have in the past by spreading the funding over the next 15 years. It was subsequently recommended by Rae Pietrzak (Owner) to notify the community of the reserve funding decision.