

The Oceanage Association, Inc.
Finance Committee Meeting
June 26, 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 April and May 2025
- 2) Continued revisions to the Spending Authorization Policy
- 3) Consideration of a new bank account to track special assessment revenues and expenditures
- 4) Review of the Reserve Study process, including potential funding strategies

Discussion:

- 1) Financial statement results for April and May 2025

Since most of the April comments previously provided to the committee were subsequently addressed during the May accounting period, it was proposed to discuss the May financial results and note the April issues that were addressed in May. The committee members agreed.:

a. Balance Sheet:

- i. Account 1057 Operating Acct-Centennial
 1. The operating cash balance at 5/31/2025 was \$184,149. For information purposes, the balance in this account as of 6/26/2025 was \$104,208. Sean stated that we have cash to pay our bills for the remainder of this quarter.
- ii. Account 3770-2-Pooled Reserve Current Year Funding includes \$8,525 related to the collection of the Broward County bond previously recorded as Deferred Revenue. These funds were originally deposited in the Operating cash account and subsequently transferred to the Reserve cash account.
 1. Ed Paneque requested from Sean the detail of the May expenses charged against the Pooled Reserve. Sean will respond

b. Statement of Revenues and Expenses:

- i. Account 5270 Other Income includes the \$8,525 Broward County Bond proceeds collected during the first quarter. David Burka questioned the accounting for this transaction stating that he felt that the transaction should be recorded as a transfer from operations to the reserve on the

balance sheet only and not reflected on the Statement of Revenues and Expenses. Mike responded that he wanted to call out the transaction to make it clear that the funds were collected and funded to the Reserve account.

- ii. Account 8060 Legal consists primarily of services provided related to the ongoing parking space dispute at units 190/191. Total legal expenses incurred year-to-date related to this dispute total approximately \$3,000.
- iii. Account 8210 Landscaping/plants supply expense of \$2,471.62 relates to shrubbery added along the norther property line requested by 2 unit owners as well as landscaping required behind building 14 after the completion of electrical work.
- iv. Account 8261 Plumbing Repair expense of \$2,748 relates to the City of Fort Lauderdale requirement for backflow testing.
- v. Account 8266 Roof Repairs expense of \$3,864 relates to repairs above unit 234.
- vi. Account 8335 Tractor Rental expense includes \$439 of unbudgeted State taxes billed by Kubota.
- vii. Account 8430 Water & Sewer is consistently favorable to budget (\$19,276 favorable year-to-date). Sean to provide the billing detail to Jody Dreyfuss for his review to determine the cause.
- viii. Account 8525 Contingency expense includes \$14,956.46 of expenses related to the Tekwave Access Control project. It was noted that this expense represents 50% of the total project costs with an additional \$14,956.46 to be billed in future months. The concern was raised that this expense was not budgeted and is assumed to be covered by our budgeted Contingency. However, the Building Committee has also projected future 2025 costs of approximately \$78,000 related to other maintenance projects to be charged against the Contingency account. If this occurs, we will be unfavorable to budget for 2025.
 - 1. A discussion ensued as to the approval policy for incurring unbudgeted costs of this nature and the need for a spending authorization policy.
 - 2. Ed Paneque offered to prepare a Reforecast of the Association's revenues and expenses for the 2nd half of 2025.
- ix. Account 8900 Reserves Pooled Funding includes to proceeds related to the Broward County Bond recorded as Other Income.

2) Continued revisions to the Spending Authorization Policy:

- a. Due to the unbudgeted costs incurred during the 1st half of 2025 as well as similar costs incurred in prior years, it was recommended that the Finance Committee address the Spending Authorization Policy originally drafted 1 ½ years ago. Although no one on the committee offered to lead the process of updating the draft policy, the committee did recognize the need for this policy.
 - i. Susan Aprill offered to assist as in the updating of the draft policy.

- ii. Jason Hayes commented that we may need a separate policy related to capital items.
- 3) Consideration of a new bank account to track special assessment revenues and expenditures:
 - a. All committee members agreed to opening a new bank account to track the cash flow of funds related to the new roof project.
 - b. John Pietrzak commented to inquire of Centennial Bank if they will require any changed in our compensating balances.
- 4) Review of the Reserve Study process, including potential funding strategies
 - a. Mike Crowley discussed options for funding the Association's reserves for large capital projects (i.e. the roof replacements)
 - i. Continue funding over time to ensure that we have the required funds to replace the assets when needed.
 - ii. As a part of the Reserve Study, include a 'Planned Assessment' for the year that the assets are to be replaced.
 - iii. Obtain a loan to fund the asset replacements when required with the loan to be paid off by the owners over the subsequent years. This option would also include interest expense related to the loan.
 - b. Jody Dreyfuss stated the need for professionals to coordinate the reserve study as they are the experts in the field. Also, Jody stated the need for a capital needs reports in conjunction with the reserve study.
 - c. The Finance Committee will be meeting with the Building Committee over the next 2 months to discuss the reserve study and to discuss with our 3rd party advisor Reserve Advisors.
- 5) Other
 - a. Mike Crowley mentioned the need for the Association to obtain an updated property appraisal, primarily for insurance purposes. An appraisal needs to be conducted every 3 years with our last appraisal dated April 2022.
 - b. The Association has implemented a Positive Pay system with Centennial Bank to improve the security of our bank disbursement activities. Sean is currently in the training segment of implementing this additional control system.