

**The Oceanage Association, Inc.**  
**Finance Committee Meeting**  
**January 31, 2024**  
**Meeting Minutes**

Attendance:

Committee Members Present:

Michael Crowley (272) – Chair  
David Burka (186/187)  
Jody Dreyfuss (107/108)  
John Pietrzak (111)  
Luis Sanchez (190)

Committee Members Not Present:

Marko Askic (212)  
Ed Paneque (164)

Property Manager Present:

Sean Arena

Agenda:

- 1) Review of December 2023 financials
- 2) 2024 Monthly Budget
- 3) Lakeside Roof Replacement Costs
- 4) 2024 50-Year Certification Costs
- 5) Spending Limits

Discussion:

1) Review of December 2023 financials:

- a. David Burka raised a question as to the purpose of account #3180-Def. Special Assmt. Inc. with a balance of \$7,276.12 as of 12/31/2023. Since no one on the committee could provide an answer, Mike Crowley will reach out to our accountants for a clarification.
- b. Mike Crowley noted that account #8390-Security expense for the month of December is approximately \$5,000 less than in previous months. Due to a change in the billing cycle during 2022/2023, our auditor made an adjustment of \$5,605.25 as of 12/31/2022 to move expense from 2023 to 2022. This was recorded as a reversing entry that was reversed in December 2023 and credited Security expense for \$5,605.25.
- c. David Burka requested a clarification of Note 1 related to the summary of the 50-year certification costs incurred during 2023. John Pietrzak also noted that the verbiage in Note 1 is not clear. After a lengthy discussion, it was decided to not change the verbiage in the note and Mike and David will follow up with David's concerns in a separate meeting.

- d. Jody Dreyfus expressed his concern that the purpose of the Finance Committee was not being followed during 2023. Besides noting the reasons for spending variances, the causes of the variances specifically in our controllable accounts were not being followed up with management in order to implement required changes to our spending. This needs to be implemented in 2024.

2) 2024 Monthly Budget:

- a. A proposed monthly 2024 budget was provided to the members for their review and recommendations for any specific changes to the timing of the expenses.
  - i. The timing of the 2024 office and maintenance payrolls were discussed and it was explained that the monthly budget reflects payrolls based on the number of payrolls during the month as well as the timing of budgeted pay increase and bonuses.
  - ii. The timing of payroll taxes should agree with the related payrolls.
  - iii. Postage machine expense should be heavier during the months leading up to board meetings.
  - iv. Water and sewer expense should be based on the timing of the 2023 usage with a correction for the excess usage by unit 206 in the fall season.
  - v. Beach reconstruction should be timed during the months following hurricane season.

3) Lakeside Roof Replacement Costs:

- a. Changes to the original contract include:
  - i. Additional plywood sheathing and fascia for \$21,692.50
  - ii. Additional air conditioning work for \$6,619.60, however, this cost may be reduced based on current discussions with the contractor.
  - iii. Photography for \$5,000.00
  - iv. Other items with costs not yet provided include:
    - 1. Additional gutters on the east side of the 3 buildings;
    - 2. Additional JBA Consulting cost;
    - 3. JB Paint related to the fascia and vents.
  - v. These additional costs currently totaling \$33,312.10 are well within our original project cost estimate that included a 10% (\$70,000) cushion for unknown costs.

4) 2024 50-year Certification Costs:

- a. It was noted that the 2024 budget does not include a specific line for the 50-year certification costs. At the time of the preparation of the 2024 budget, it was anticipated that the 50-year certification work would be completed in 2023 with the exception of the lakeside roof replacements.
- b. Based on a schedule received from McBride Construction, their January billing, as of 1/30/2024, will be \$35,880. McBride also projects an additional \$25,000-\$30,000 for work not yet started. Also, there will be an additional undetermined cost for work that has not yet been estimated.
- c. There will also be an additional cost for the electrical work at the front entrance/Guard House of approximately \$15,500.

- d. These costs will need to be tracked and accounted for in the separate 50-year certification expense accounts that we used in 2023. These accounts are reported within the Contingency section of the income statement.

5) Spending Limits:

- a. Various suggestions were presented for implementing spending limits for employees and board members. After much discussion, it was decided that a \$5,000 limit should be implemented for Sean with any requests over that amount to be approved by 2 board members. Individual board members should make their requests through Sean and follow the same approval guidelines.
- b. Mike and Luis will draft a spending policy document to be provided to the committee for approval. This policy will then need to be presented to the board for approval.

6) To-do:

- a. Mike to follow-up with our accountant to determine the nature of the Deferred Special Assessment Inc account.
- b. Mike and David to meet separately to discuss his concerns related to the presentation in the income statement.
- c. Mike to make requested changes to the timing of specific expenses in the 2024 monthly budget
- d. Mike and Luis to prepare a spending limit policy document for distribution to the committee for approval.