

Bella Vista Condominium, Inc.
Finance, Accounting & Audit (FA&A) Committee Meeting Minutes
November 17, 2023
MINUTES

Thomas Flood chaired and called the meeting to order at 3:00 PM, Friday, November 17, 2023.

Thomas Flood, Mark Mino, Douglas Littleton, and Paul Tiberi were present in person. James Aten participated via Zoom. Quorum of the Committee was established.

September 22, 2023 Draft Minutes

Paul Tiberi explained the corrections on the September 22, 2023 draft meeting minutes.

On Motion by Paul Tiberi, seconded by Douglas Littleton, with all in favor, the Committee voted to approve the corrected minutes from its September 22, 2023 meeting.

Committee Charter

For the record, the Board ratified the FA&A Committee Charter at its September 27, 2023 meeting and the FA&A Committee Secretary secured the Board's official signature on the document on November 2, 2023.

Committee Priority Task #1: Budget

The 2024 budget was approved at the Board's November 11, 2023 Budget Approval Meeting. Thomas Flood facilitated a discussion to glean lessons from the 2024 budget process for future budget development efforts. There were two key takeaways. First, while most budget items can be estimated quite accurately, the volatility in the cost of insurance continues to make the budgetary process less predictable and precise than anyone would like. Second, the collaboration between the FA&A Committee, Thomas Flood and Doug Littleton in particular, and the Board Treasurer, James Aten, was credited for producing a sound and easily substantiated budget. Committee members agreed the process used for the 2024 budget needs to be codified as a FA&A Committee Standard Operating Procedure (SOP) for future use.

On Motion by Paul Tiberi, seconded by Douglas Littleton, with all in favor, the Committee voted to have Thomas Flood develop the budget process SOP and to have Paul Tiberi assist.

James Aten reported on a very positive initiative for Bella Vista and its owners. The Committee had previously found the Bella Vista finance and accounting system deficient. Since then, the Board has studied options for correcting those deficiencies and at the same time making it easier for Bella Vista owners to pay their monthly dues, eliminating the chore of dropping off checks at the Property Manager's office and delaying bank deposits and the availability of those funds. The Board is in discussions with a highly reputable firm for these services, which will include customer service help. James Aten credited the perseverance of Susan Furlong, Board Vice President, for this positive development. The FA&A Committee defers to the Board to provide additional details.

Committee Priority Tasks #2a and 2b: Reserve Study & Reserves, respectively

Thomas Flood provided important insights on the qualifications of the Dreux Isaac & Associates team responsible for Bella Vista's Reserves Study and Structural Reserve Study. Their credentials and considerable experience give the FA&A Committee confidence in their Reserve Study. Mark Mino asked about specific qualifications of the team related to the Structural Reserve Study.

On Motion by Paul Tiberi, seconded by Douglas Littleton, with all in favor, the Committee voted to have Mark Mino determine the qualifications of the Dreux Isaac & Associates team for conducting Bella Vista's Structural Reserve Study.

Committee Priority Tasks #3 and 4: Official Records Review & Contract Review, respectively

Mark Mino reported on these two priority tasks for which he has the lead. In short, it appears Bella Vista does not have contracts for a number of services being paid to various providers.

On Motion by Paul Tiberi, seconded by Mark Mino, with all in favor, the Committee voted for Mark Mino to provide a detailed list of all missing contracts. Thereafter, Paul Tiberi and he will meet with the Property Manager to determine the extent of the problem and its cause(s).

In the meantime, the FA&A Committee advises the Board that disbursing funds is considered doing association business and as such, requires a properly noticed Board meeting, open to owners. As pertains to the disbursement of Reserve funds, the allocation of money for items in the Reserve Account does not obviate the requirement of a properly noticed Board meeting to authorize disbursement. (FS718.111, FS718.112, and FS617)

Committee Priority Task #5: Accounts Review

Douglas Littleton reported on his extensive examination of Bella Vista accounts. Of note, he identified nine (9) disbursements from the Reserve Account, items #4, 6, 7, 8, 10, 11, 12, 13, and 14, totaling \$27,338.13 which, by law, should have been paid from the Operating Account.

Douglas Littleton provided the details to James Aten, as Board Treasurer, and asked him to direct the current accounting firm to correct the records in the November financial statements.

Douglas Littleton next addressed the invoice from Lloyd's Exercise Equipment and opined a few expenses were unnecessary or excessive. A discussion ensued. James Aten stated the equipment being replaced had been deemed to constitute a safety risk and, furthermore, the sum was one-third the amount that had been allocated on the budget for the exercise room. As pertained to the cost of the items, Paul Tiberi pointed out the prices were competitive. Rochelle Holtz (1108) argued the board needs to conserve funds to cover restoration costs, lest making another special assessment—which many owners cannot afford—necessary. Several other owners in attendance agreed with Mrs. Holtz. James Aten noted the concerns, but argued safety risks should be corrected without delay.

The FA&A Committee urges the Board to take the owners comments under advisement.

Other Committee Business

Major Projects Engineering and Construction Expertise. Douglas Littleton proposed capitalizing on the engineering and construction expertise of several Bella Vista owners. The ensuing discussion made it clear only an informal arrangement to leverage such expertise would be acceptable.


On Motion by Paul Tiberi, seconded by Thomas Flood, with all in favor, the Committee voted to have Douglas Littleton ask owners with the requisite expertise and selfless motive to assist with major projects so the Committee could provide better advice and recommendations to the Board.

Cash Flow Statements. Douglas Littleton suggested cash flow statements be added to the other monthly financial and accounting reports produced by Bella Vista's contracted accounting firm. Cash flow statements are widely used by organizations to evaluate how their cash is being managed and to identify how well it earns revenue, funds expenses, and pays off its debts. They help condominium owners and potential owners understand the association's financial health.

On Motion by Thomas Flood, seconded by Paul Tiberi, the item was tabled pending determination of whether the incoming finance and accounting firm's monthly reports will suffice.

All matters before the committee having been addressed, on Motion by Thomas Flood, seconded by Mark Mino, with all in favor, the meeting was adjourned at 3:57 PM.

APPROVED BY UNANIMOUS VOTE at the December 15, 2023 meeting:

A handwritten signature in black ink, appearing to read 'Paul Tiberi', with a large loop at the start and a horizontal line extending to the right.

**Paul Tiberi
FA&A Committee Secretary & Vice-Chair**