

Bel Mare Finance Committee Meeting

January 14, 2022

Attendees:

Morris Bencini – Treasurer

Jeff Winsler – Board Member

Kay McAuliffe – Committee member

Coby Gaulien – Committee member

John Cropsey, Gary Schuster – Owners

Dial-in Line – No one called in

Meeting was called to order at 3:00pm in the Bldg. 1 Social Room.

The committee began by review several items of note in the November 2021 financials. Ms. McAuliffe had questions regarding the Thyssen Krupp (TK) elevator maintenance and the change to Otis. Mr. Bencini contacted Toni Giliberti and was informed that the contract with Otis had been signed at no cost to Bel Mare until January 2022. We have not received any notice from TK regarding the cancellation of their contract.

Further questions included where the Dutchman invoices were coded for window cleaning and the security invoices for November being below usual. There was also a question about the status of the delaminated glass repairs. Mr. Bencini will follow-up and advise the committee on these three issues.

The RD Master Assoc. dues were also discussed. We expect a negative variance in 2022 due to the Master dues being higher than budgeted due to their Board's final budget including the reserve funding which expected to be deferred when the Bel Mare budget was finalized.

Mr. Bencini discussed the status of the three remaining CD's. The Bank United CD was liquidated in January and proceeds totaling approx. \$263,000 were sent to Castle to deposit in the Alliance Reserve Cash account. Mr. Bencini has already been in touch with the banker at TIAA regarding the maturity of the next CD on Feb. 28th. This will also be liquidated and sent to Castle to deposit in the Alliance account. The final CD at Freedom Bank matures in late June 2022.

Mr. Bencini presented a Reserve Cash Analysis and explained the forecast to the committee (see attached). The projection accounted for incoming cash, current and forecasted interest income, balance of spending on the painting contract and other misc. reserve items. Mr. Bencini explained that the forecast does NOT include a provision for defective balcony repairs and expects another \$150,000 in expenditures in 2022 relating to this issue. The forecast shows an expected UBS reserve cash balance of approx. \$1.7 million by end of 2022 and approx. \$2.2 million by end of 2023.

The discussion proceeded to the investment strategy recommended by UBS to use a CD ladder approach form 6-month to 18-month maturities. Based upon the current market and the pending rate increases expected to be enacted by the Federal Reserve in the next few weeks, the committee agreed to instruct

UBS to place the investment in 3-month CD's for the time being pending changes in market conditions.
Mr. Bencini will follow-up with Stephen Jurist at UBS to implement.

Meeting was adjourned at 4:10pm.

Submitted,

Morris Bencini
Board Liaison

Bel Mare Reserve Cash Analysis

Painting Contract:	\$1,074,500
Paid Through 11/30	(\$198,161)
Estimated Savings - Scope	(\$125,000)
Cost Remaining	<u>\$751,339</u>
Colonial - Wall Caps	\$52,500
Sutter - Roof Repairs	\$20,000
Misc. Reserve Items TBD	\$50,000
2022 Estimated Reserve Spending	<u><u>\$873,839</u></u>

Reserve Cash Balance @ 11/30/21:	\$436,048
Due from Reserves - 11/30/21	(\$15,564)
December Funding	\$25,117
December Balance Before Contract Spending	<u>\$445,601</u>

1st Qtr Reserve Funding from Dues	\$75,350
2nd Qtr Reserve Funding	\$75,350
Bank United CD - Jan. '22	\$262,000
TIAA CD - Feb. '22	\$257,000
Freedom Bank CD - Jun. '22	\$255,000
Project Reserve Cash - 6/30/21	<u>\$1,370,301</u>
2022 Estimated Reserve Spending	(\$873,839)
Excess Balance to Invest	\$496,462
Future Transfer to UBS - Jun.' 22	(\$300,000)
Remaining Alliance Reserve Cash Balance	<u>\$196,462</u>
Funding - Remainder of 2022	\$150,700
Funding - 2023	\$301,400
Future Transfer to UBS - Dec. 2023	(\$500,000)
Alliance Reserve Cash Funded Through 2023	<u><u>\$148,562</u></u>

UBS Balance - 11/30/21	\$1,386,733
Future Transfer to UBS - Jun. '22	\$300,000
Future Transfer to UBS - Dec. '23	\$500,000
Future UBS Invested Balance - Jun. '23	<u><u>\$2,186,733</u></u>

<u>Estimated Future Reserve Spending:</u>	
Remainder 2022-23	<u><u>\$100,000</u></u>