

Bel Mare Finance Committee Meeting

March 14, 2023

Attendees:

Morris Bencini – Committee Chair
Kay McAuliffe – Committee Member
Jeff Conwell – Committee Member
Joanne Rizkallah – Committee Member
Joe Rizkallah – Board Liaison
Jeff Winsler - Treasurer

Meeting was called to order at 10:00am in the Bldg. 1 Social Room.

Mr. Bencini volunteered to be Chairperson for 2023 and the committee unanimously voted to approve.

There was discussion regarding Castle's poor job at classifying expenses to the correct month. Several instances were noted where expenses and accruals were double booked. Mr. Bencini to contact Castle about eliminating accruals except for year-end.

The committee reviewed the 2022 monthly financial summary. Mr. Winsler asked if Bel Mare was covering all the expenses in the fees being charged for the guest suites. Mr. Bencini to provide an analysis.

The committee reviewed the audited financials for 2022 and Ms. McAuliffe noted a few errors in the footnotes. She will email Mr. Bencini her notes and he will follow-up with the auditor to correct and re-issue the financials.

The January 2023 financials were reviewed, and it was noted that several expenses may be missing, again related to year-end accruals per above. Will wait for February to see if corrected.

Past due accounts were reviewed, and Mr. Bencini noted that the Board needs to address these with management and the individual owners.

The committee discussed the status of the reserve cash invested with UBS. The yield curve is currently inverted due to increasing interest rates and shorter-term investments are yielding higher returns than longer term. We are continuing to use our advisor's advice (Mr. Jurist) regarding roll-overs of maturing CD's. Mr. Bencini also provided the committee with a forecast of 2023 expected interest income for the reserve account. The forecast showed we should be close to the budget for 2023.

The investment of the \$300,000+ in "contingency" funds was discussed. Mr. Bencini will check with the insurance broker to see what current rates are for premium financing. The 2023-24 premiums are due in late April, and we may propose using our contingency cash rather than premium financing if there is a spread in borrowing rates versus our investment rate.

A question was posed about having owners billed monthly for dues rather than quarterly. It was stated that our by-laws specifically call for quarterly billing of owner dues.

There was discussion regarding the interest of the Marriott hotel in leasing our North Property and the difference between a sale and a lease. Liability, insurance, taxes, reserves and potential regulation impacts were also discussed. Negotiation with the hotel is ongoing.

The meeting was adjourned at 11:35am.

Submitted,

Morris Bencini
Treasurer, Board Liaison