

**Del Mesa Carmel Community Association**  
**Finance Committee (FinCom) Meeting**  
Minutes of Regular Meeting  
September 22, 2021

1. **CALL TO ORDER:** Committee Chair, Nancy Jones, called the meeting to order at 9:30 a.m. The meeting was held on Zoom.

**2. Announcements.**

We have a new FinCom member. Natalie Kaufman has been approved by the Board of Directors.

Bookkeeper absence. Our bookkeeper Victoria Contreras will be leaving at the end of the first week of October 2021; she is going on active duty. Victoria Contreras is training a new part time person.

3. **Agenda Review/Approval** The agenda was reviewed and approved. There will be an addition of a new item Discussion of the Lawn Bowling Green.

**4. ROLL CALL:**

*Committee Members Present*

Nancy Jones, Maryellen Eisenberg, Susan Franks, Natalie Kaufman, David Lamm, Marty Rubin, and Mark Vanlerberghe.

*Others Participating via Zoom:*

Richard Cox, General Manager, Anthony Lombardi, Finance Director, as well as Board members Mick Connolly, Board President, Ted Whitney, JR Wheelwright, and Suzy Boyle. Other participants were Richard Squires, Diane Mayer, Carmela Cantisani, Gigi Wharton, Peter Levin, Marcia Vanlerberghe, Danielle De Asis-Pinon, and Cecil Jones.

5. **Approval of the August 18, 2021, FinCom Meeting Minutes.** Nancy Jones has two changes. 1) Removal of the word draft and removal of red marks on second page. Unanimously approved.

**6. GENERAL MANAGER AND FINANCE DIRECTOR REPORTS.**

**Administration.** Anthony Lombardi says that everything is running true to budget. Year to Date we are doing very well, largely because we are managing payroll well.

Nancy Jones reported she made a mistake in what she reported as legal costs in the September Del Mesa newsletter. We've spent \$45K, almost 35K is just for insurance.

Committee expenses. Moving forward in 2021 we are accounting for all the things that committees spend, like copies and food. Anthony Lombardi will meet with the committee heads to see how much should be budgeted for 2022. The line item in the budget may say Committee Expenses; or perhaps each committee will have their own line item. This way food and beverage will get credit correctly and we will see a true cost of our committee efforts.

**Food and Beverage.** Food is budgeted at 40% and everything is falling in that 30% - 40% range. We are shooting for a 30% - 40% food margin. Chef Izzy Lopez is providing detail about what everything costs, so that Anthony Lombardi can figure out what each plate of food costs. The monthly inventorying continues.

The Dining Room manager has been staffing aggressively. We'll be on target to meet our budget by the end of the year.

**Community Services.** We are fully staffed for Grounds. Operation Expenses. We are slightly up because of work on the generator and servicing our fire extinguishers. We have between 10K to 17K of tree work left to do.

**Guest Rooms.** Anthony Lombardi says the revenue is looking good. If we are over in revenue, that means we'll be over in Operating Expenses. The guest rooms are booked for the rest of September.

The new TVs have all been installed. Maryellen Eisenberg has found a place to donate the old ones. Every guest room now has a new, Kuerig coffee maker. Nancy asks if there is enough money to replace the old dressers. Anthony Lombardi said that should be a reserve item.

**Utilities.** Still struggling in Gas and Electric. Water continues to do well. The waste line item is a little over budget because we have another container for yard waste. Even though Anthony Lombardi budgeted aggressively for utilities, we will be over budget at the end of the year.

**Contingency Fund.** No activity.

**Capital Acquisitions Fund.** We bought the extra gator and have received the water truck. Nancy Jones asked if we are going to buy a second water tender? Richard Cox says we have to first get a license for the one we have and clean up the area around the well. Richard Cox says there are no plans at this time for a second tender.

**Insurance Premium Fund.** We will run \$5,000 over budget each month for the rest of the year. Currently, we contribute \$45,000 to the fund each month. Anthony proposes that we increase the contribution from \$45K to \$55K for the next 4 months. FinCom agreed and will take this to the Board.

**Reserve Fund.** We will not be doing asphalt reconstruction this year, so we will delay its budgeting until 2022. We were trying to get a schedule from Chek, but they have gone out of business. Jeff Pearson came by to look at our property, but we have no additional information from him.

Anthony Lombardi believes all the work has been completed on the guest rooms and Coastal/Crystal Room.

Laundry Rooms. We've completed three of them. One of the projects is the sinks. Maybe just replace the large sink with a hand washing sink or with large sinks made out of different material, not the expensive kind.

Lawns continue to be removed for the xerophytic project.

Fitness Center. The final bill has come in \$2K over budget, but Anthony will be selling the old equipment, so we'll probably break even.

**Healthy Forest.** No Activity this month. We are anticipating up to \$70K in a refund. Mick did not have the timing on when we would receive this money. Everything has been approved and signed off on.

## 5. TREASURER'S REPORT

**August Reviews/Reconciliations per Civil Code 5500/5501.** Nancy Jones and JR Wheelwright reviewed the August Financials with Anthony on 17 Sep. All reconciled.

**August Delinquencies.** One delinquency of \$11.45 from a renter.

## 6. OLD BUSINESS

**Balcony Inspection and Foundation and Pier Inspection Costs.** Dirk Young is waiting for a quote for the balcony and pier inspection costs. The Bergeman Group came here in August. Nancy Jones says we still have the names of some companies to give bids. None of the current bids are from local companies. EEE inspection of the balconies is required by law.

**Property Insurance.** Nancy Jones has started meetings with committee heads and **members** to discuss the insurance issues. She is informing and updating the information. We are continuing to look for master plans.

**2022 Budget.** Anthony Lombardi plans to have a first draft of the 2022 budget before the next FinCom meeting. We are required by law to have a budget, approved by the Board by November 30, 2021. Nancy listed five uncertainties and asked for additional items.

## NEW BUSINESS

**Lombardi request to replan the 2021 insurance fund allocations.** Anthony Lombardi recommends putting \$40K by the end of the year into the insurance premium fund by increasing our contribution to the insurance fund to \$55,000 a month. Nancy Jones made a Motion to approve the increase. David Lamm seconded. Unanimously approved by FinCom members.

**Reserves Planning.** Nancy Jones asks Anthony Lombardi to explain what he is planning to do with the Reserves. The software that the company we now have, ARA, has software that is not very user-friendly. Mark Vanlerberghe and Anthony Lombardi found a couple of companies whose software is very good. The new company is Smart Property. They are using this software at Brentwood, California and are very pleased with the results.

**2022 meeting dates.** With monthly financials not always ready before the scheduled FinCom meetings, it has been suggested that we consider changing our meetings.

Nancy moved that we schedule the 2022 monthly FinCom meetings to the Tuesday before the Thursday Board meeting. The motion was seconded and approved, unanimously.

**Oct/Nov/Dec 2021 meeting days.** The last two months of the year are always a problem for FinCom, since we have not expected financials for the prior month in time for these meetings.

Nancy suggested Tuesday, 26 October, Tuesday, 16 November, and Tuesday, 14 December for these meetings, which happens to be the Tuesday before these Thursday Board meetings. That leaves at least the possibility of our getting prior month financials by the FinCom meeting. Nancy moved that we schedule the remaining 2021 monthly FinCom meetings. The motion was seconded and approved, unanimously.

**Meetings via Zoom or In-person (or both).** The committee discussed whether we should have FinCom meetings via Zoom or live, in-person. We have had some success trying to combine these methods, but that hadn't worked well. Anthony remarked that we need new equipment to conduct these as hybrid meetings, both in-person and Zoom. Richard Cox added that he does not recommend we try a hybrid approach now, due to technology and skill set issues.

Nancy moved that we conduct the remaining FinCom meetings live/in-person. The motion was seconded and approved.

**Lawn Bowling court.** We spend between \$112,000 to \$114,000 on upkeep for the bowling green. If we installed artificial turf, which would cost about \$130,000, in a couple of years we would realize the savings. We need more information about the artificial turf. Mick Connolly and Steve Hendrickson are going down to Cambria to check out the artificial turf they have at the Lawn Bowling Club down there.

#### **FinCom text for 30 September Board meeting**

Nancy presented her proposed Board meeting agenda text:

- Treasurer's report (reconciliations performed, delinquencies)
- Summary financial status
- Report on Treasurer's insurance sessions, starting with FinCom, moving to Committee Chairs and continuing with committee members.
- If appropriate, a summary of our 2022 budget plans.

#### **Treasurer's Del Mesa NEWS article**

#### **Open Discussion**

Richard Squires remarked that he prefers Zoom meetings and won't be able to attend if these go to in-person.

Paving-we can use some striping. Dirk responded that we will do some striping and reflectors.

Mary Rogers asked if guest room breakfasts had been eliminated. Nancy replied that it is still in the budget.

Susan Franks stated that, as an item in Reserves, the Pool area needs a big cleanup.

**Adjourn.** With no further business, the meeting was adjourned at 11:44am. The next meeting is on Tuesday, 26 October, at 9:30, in person.

Respectfully submitted by

Susan Franks