

**FINANCE COMMITTEE MEETING NOTES
FOR OCTOBER 4, 2011**

Present:

Betty Latson, Chair

Dave Beck

Frances Andrews

Barbara Grodzins

Barbara Fiacchino

Jay Owens

Tom Meyers

Dorsey Ruley

Also Present:

Rich Vicens

Eddie Main

Meeting Commenced at 7pm

Betty announced that the goal of the meeting was to clean up the operating budget.

Eddie Main spoke relative to the garage budget. He noted that garage expenses would be increasing in 2012 primarily due to increases in employee salary and benefits. He estimated net income based on leaving garage rates the same would be \$347,545. The members of the committee confirmed that they did not want to raise garage rates.

The committee then went through a number of items that had been discussed at the last meeting where more information was needed.

The following items were discussed:

Rental Fee--the committee agreed to raise the rental fee to \$250 with an estimated annual income of \$10,000.

Water expense----lowered to \$111.000 as a result of the 2011 projection.

Gas and Electricity budgeted at 2011 levels until we could determine effect of new windows.

Repairs---snow melter repairs moved to capital expenditures.

Elevator repairs were increased over the initial draft budget as a result of actual elevator repair experience.

Plumbing and Sewer stayed the same from original draft.

Painting of Building Interiors increased primarily due to potential future water damage.

Insurance lowered to \$169,000 based on September Board action approving Admiral with lower insurance premiums.

Laundry income lowered to \$50,000. The Finance Committee felt that the laundry operator may have been overstating projected income.

A number of other smaller line items were discussed.

The committee also discussed capital reserves and capital expenditures. Noteworthy discussion was as follows:

Rich Vicens noted that the garage report investigating the necessary garage repairs had come back recommending an additional \$900,000 worth of repairs may be needed. Repairs related to the posts would be born by HOA.

Rich is recommending a new entry guard system because of deficiencies in the current system.

The management office needs to verify that the allocation of concrete charges is being properly allocated between James balconies and James facade. Rich will be following up.

Reserves available for the JK HVAC pipe replacement were discussed briefly. Given all of the necessary projects upcoming and the need to keep the reserve level at a safe minimum level, there may not be much in capital reserves for the HVAC project.