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HOMEOWNERS ASSOCIATION

**FINANCE COMMITTEE
MEETING MINUTES
January 22, 2025**

- I. **CALL TO ORDER**
A. Chair Mark Metzger called the Coronado Cays Finance Committee meeting to order at 9:00 a.m. in the CCHOA Conference Room. A quorum was present.
- II. **ROLL CALL**
A. Committee Members Present:
Mark Metzger CCHOA Treasurer and Committee Chair
Dennis Thompson Antigua Village
John Barber Jamaica Village (via Zoom)
Dan Hunting Kingston Village
Mark Crisson Blue Anchor Cay, CCHOA President
Jim Besikof Blue Anchor Cay
B. Committee Members Absent:
John Tree Green Turtle Cay
Dan Schreiber Bahama Village
C. Others Present:
Henry Angelino CCHOA Manager
- III. **APPROVAL OF FINANCE COMMITTEE MEETING MINUTES**
A. Finance Committee Meeting Minutes for October 21, 2024.
1. **MSUC¹ to: Approve** the October 21, 2024 Finance Committee meeting minutes.
- IV. **TREASURER'S REPORT – Mark Metzger**
A. Chair Metzger briefed the Committee on recent discussions with Walters Management and Newman CPAs. Walters was requested to do more frequent reconciliations/accruals to provide more accurate financials. Newman CPAs promised to finalize the audit and tax return on or before 8/31/25 with the understanding that the CCHOA provide them with all documents requested on or before July 31.
B. December 2024 Treasurer's Report was provided to the Committee for review.

UNAUDITED CCHOA RESULTS:

The unaudited month ending results for the CCHOA for December 2024 and the 6th month of the 2024/2025 year are enclosed for your review. The combined balance is \$5,724,303.89. The reserve balance is slightly less than the balance for November 2024 which was \$5,804,618.73. The reserve balance is less than the balance for December 2023 which was \$6,293,164.72. The reserve balance for December 2022 was \$5,944,118.45. The reserve balance for December 2021 was \$7,239,262.49, the balance for December 2020 was \$7,718,176.92, and the balance for December 2019 was \$7,545,807.54. The Board is aware that inflation most likely will adversely affect future reserve projects, possibly necessitating future dues increases. The General Manager, Facilities Manager and the Directors are continuing to review all reserve categories in order to facilitate maintenance needs as they

¹ MSUC = Moved, Seconded, Unanimously Carried

arise. The reserve goal previously set by the CCHOA Board stipulates that all villages must maintain a 50% funding level within 30 years. The CCHOA Board is aware that at various times reserve balances may drop well below the 50% funding level but that is to be expected when large reserve projects are completed. The reserve needs for each village are handled on a village-by-village basis. Should any village face an emergency expenditure, the village will need to vote for a special assessment or adjust annual dues. The CCHOA Board pays close attention to monthly expenses and remains committed to ensure adequate funding for all of the villages' reserve projects. The CCHOA Board and General Manager are committed to making every effort to avoid deferring maintenance when possible and when adequate funding is available. Where possible, spending adjustments in other categories may be made.

INDIVIDUAL VILLAGE RESULTS:

Individual villages exceeding \$500 in expenditures over that which was budgeted are reported by "year to date" overages. Common is reported when expenditures exceed \$2500 over that which was budgeted. Individual directors continue to examine overages in the budget at any time the overages are reported. Every director makes every effort to stay within the budgeted amounts but at times emergencies or non-negotiable expenses occur and the funds must be allocated whether they are within the budget or not. Where overages occur, the directors do meet with the General Manager to ascertain what type of expense has occurred and if next years' budget needs to be adjusted or if the expense was a one-time event. Where possible, spending adjustments in other categories may be made.

Currently six villages have expenditures that exceed the overall budgeted amounts.

Jamaica Village had expenditures that exceed funds budgeted in pool supplies, tree trimming, and water.

Green Turtle Cay had expenditures that exceeded funds budgeted in maintenance wages and water.

Antigua Village had expenditures that exceeded funds budgeted in maintenance wages, maintenance personnel leave, dock wages, general maintenance supplies, safety equipment, gas/electricity, outside contractors, and water.

Trinidad Village had expenditures that exceeded funds budgeted in maintenance wages, maintenance personnel leave, pool wages, general maintenance supplies, and water.

Blue Anchor Cay had expenditures that exceeded funds budgeted for plants/flowers and water.

Port Royale Village had expenditures that exceeded funds budgeted in pool supplies, safety equipment and water.

Mardi Gras Village had expenditures that exceeded funds budgeted in pool services, general maintenance supplies, safety equipment, plants/flowers, water, outside plumbing, and outside contractors.

The CCHOA Financial results are available for homeowners after the 2:00pm Board meeting on January 23, 2025. An electronic copy of the Treasurer's Report and an in-depth financial statement is available by calling the CCHOA office at 619-423-4353.

INVESTMENT RESULTS:

The CCHOA Board, General Manager and the Finance Committee regularly monitor investment rates in an effort to find the most secure rates available to the CCHOA. Wells Fargo Advisors provides guidance on the most appropriate investment opportunities available to the CCHOA, considering **SAFETY** first with **YIELD** second. Currently the CCHOA has investments in CDs, T-Bills, T Notes and FRBXX. Temporary investments in FRBXX enable the Board to have immediate funds available for unexpected expenditures. Additionally, the CCHOA Board has approved investments in AAA Municipal Bonds when investment opportunities are available. An investment ladder is maintained so that maturing investments come due each month through September 2025. There are additional reserve funds maturing in the remainder of 2025. At the recent F.O.M.C. meeting held on December 19, 2024, interest rates were reduced by .25%. The market is anticipating additional rate reductions over the next couple of meetings. The CCHOA Board has been maintaining a relatively short-term (26 week- 1 1/2 year) reinvestment protocol. As funds and investment opportunities become available, a longer-term time horizon will be considered. The current Prime Rate is 7.50%, down from 7.75%.

COMPILATION	December 2023	December 2024	%	December 2024	December 2024	%
	<i>Actual</i>	<i>Actual</i>	<i>change</i>	<i>Actual</i>	<i>Budget</i>	<i>change</i>
Cash	796,769.58	522,911.25	-34.37%			
Revenue	2,327,333.09	2,552,335.95	9.67%	2,552,335.95	2,480,219.18	2.91%
Expense	2,165,461.56	2,600,213.31	20.08%	2,600,213.31	2,594,161.40	0.23%
Net Income	161,871.53	-47,877.36	129.58%			
Reserves	6,293,164.72	5,724,303.89	-9.04%			

COMMON	December 2023	December 2024	%	December 2024	December 2024	%
	<i>Actual</i>	<i>Actual</i>	<i>change</i>	<i>Actual</i>	<i>Budget</i>	<i>change</i>
Revenue	1,173,068.55	1,343,534.40	14.53%	1,343,534.40	1,272,918.18	5.55%
Expense	1,118,418.86	1,325,207.27	18.49%	1,325,207.27	1,355,774.11	-2.25%
Net Income	54,649.69	18,327.13	-66.46%			
Reserves	1,342,137.82	1,079,975.14	-19.53%			

V. REVIEW CCHOA FINANCIAL STATEMENT

- A. Financial Statement for the month ending December 31, 2024 was provided to the Committee for review.
- B. The Committee discussed the low Reserve account balance for Mardi Gras Village and the need for a future special assessment including the upcoming roofing renovation of 17 homes for approximately \$340,000 with a projected starting Reserve balance of only \$210,000 for FY2025-2026. General Manager Angelino stated that a draft Reserve Study and Operating budget were needed to determine options for the Village to vote on concerning how to pay for the unfunded maintenance requirements.

VI. REVIEW WELLS FARGO INVESTMENT REPORT

- A. Reserve Investment Summary for December 2024 was provided to the Committee for review. The overall interest rate for Reserve investments was noted to be 4.56%.
- B. Bank Statement
 1. The Wells Fargo Reserve Bank Account statement for December 2024 was provided to the Committee for review.
- C. Current Investment Rationale
 1. The Committee discussed the cost of commissions with Wells Fargo Advisors versus the level of service required for the types of investments in our portfolio. Chair Metzger volunteered to

investigate the commission rates Wells Fargo Advisors was charging and negotiate for a reduction in their rates or investigate other investment broker options.

VII. NEW BUSINESS

A. Mid-Year Operating Budget Review

1. General Manager Angelino described utilizing the November financials to estimate the year end balance for the Operating budget. He explained that Other Member Services line items may vary greatly depending on utilities and Outside Contractors. Chair Metzger discussed the approximately \$160,000 in deferred income from 2023-2024 and potential strategies for addressing this deferral in 2024-2025.

B. Reserve Project Status Review

1. The 2024-2025 Reserve Project status report was provided to the Committee for review. General Manager Angelino stated that a majority of the projects had been completed, contingency items were in progress, and some projects were still outstanding pending coordination with village directors.

C. Budget Calendar for FY 2025-2026

1. The budget calendar for FY 2025-2026 was provided to the Committee for review. General Manager Angelino encouraged Committee members to become involved with their respective village budget planning and to attend budget meetings with their directors.

D. Level 3 Reserve Study Assumptions (Interest Rate, Inflation Rate, Contribution Rate)

1. President Crisson, Chair Metzger, and General Manager Angelino briefed the Committee regarding the current and proposed Reserve Study assumptions including the Reserve Analyst recommendation to retain the 4% interest rate, 4% inflation rate, and 4% increase in contribution to Reserves for the FY 2025-2026 Reserve Study.
2. **MSUC to: Recommend** to the Board to retain the 4% interest rate, 4% inflation rate, and 4% increase in contribution to Reserves for the FY 2025-2026 Reserve Study.

VIII. ANNOUNCEMENTS

- A. The next regularly scheduled Finance Committee meeting is scheduled for March 20, 2025 at 9:00 am.

IX. ADJOURNMENT

- A. There being no additional business before the Finance Committee, the meeting was adjourned at 10:38 a.m.


Mark Metzger, CCHOA Treasurer and Finance Committee Chair

3-20-25
Date