

# Minutes of BPBCA BOG Finance Subcommittee Meeting Via Zoom - 07/17/24

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**Date and time:** 07/17/24 5:00 PM to: 07/17/24 6:00 PM

**Present:** Brooke Stevens, Rec Secretary (\* Ms. Stevens was not in attendance), John Cellino, BOG Member, Bill Bayne, BOG Member, Al Capozza, Treasurer, Jim Schepker, BOG Chair

**CC:** Colleen Chapin, BOG Member

**Location:** Via Zoom- See below for live Zoom Link.

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## Topics

### 1. Zoom Info & Link

**Note** <https://us02web.zoom.us/j/81297656870?pwd=C9AoJL5VilizEEUZibQeVcR0zj4Rg8.1>

**Note** Meeting ID: 812 9765 6870

Passcode: 045607

Phone only: • +1 646 931 3860 US

One tap mobile

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**Note** <https://us02web.zoom.us/j/81297656870?pwd=C9AoJL5VilizEEUZibQeVcR0zj4Rg8.1>

### 2. Call to Order

**Note** Chairman Schepker called the July 17th, 2024, Special Meeting to order at 5:13 p.m., and thanked the Finance/Investment Committee Members, the Board Members serving with that Subcommittee, and any Association members who are joining us today for this Zoom-only meeting. Association members have been welcome to join this call, but as a subcommittee meeting, the format of this call does not invite any public comments. Public comments on this meeting and any other issues will be welcomed at our next Board of Governors meeting on Thursday, July 25th at 6 p.m.

**Note** Mr. Schepker announced that, at the behest of our Treasurer, Al Capozza, this meeting has been called to order for the Finance/Investment Committee, currently represented by Al Capozza, along with Board Members Bill Bayne, John Cellino, and Mr. Schepker himself. It is crucial to acknowledge that any recommendations or motions passed by this investment subcommittee tonight will require the final endorsement of the Board of Governors at their meeting on Thursday, July 25th, 2024.

**Note** Ms. Chapin was in attendance to oversee the Zoom proceedings.

### 3. Cashflow Investment Considerations

**Note** Mr. Schepker stated that the matters convening us today were previously detailed by Treasurer Capozza for this subcommittee. Specifically, the three points of discussion are: where to allocate new funds for the long-term capital reserve fund planned for 2024-2025, where to invest any surplus operational funds until required, and lastly, the possibility of designating a portion of the long-term Capital Reserve Fund to shorter-term instruments to finance the replacement or repair of our current capital assets.

**Note** Mr. Capozza clarified that we cannot allocate the new \$75,000 to Liberty, as we are nearing the FDIC insurance limit of \$250,000, and adding a new CD at Thomason Savings Bank is not an option. He investigated two local banks: Charter Oak Credit Union, which offers an 8-month CD at an APY of 4.75%, and a 30-month CD, which he deemed unsuitable for these funds. Additionally, he consulted with Bank of America, which provides a 7-month CD at 4.75% APY and a 13-month CD at 4.90% APY.

**Note** Mr. Capozza mentioned that due to convenience among other factors, he is inclined to choose the local downtown bank, yet he welcomes any comments or questions.

**Note** Mr. Bayne believes that choosing the credit union was a wise decision. Often, they can offer more competitive rates than banks due to their financial structure. However, it's surprising that this isn't the case here. Bank of America seems to be slightly more competitive. He concurs that for the sake of convenience, it's preferable to stay local. Unless there's room to negotiate further with either institution, the choice is quite clear. If what's available is the offer from Bank of America, then that would be the sensible option to take.

**Note** Mr. Cellino believes that if he approaches the Credit Union and informs them of Bank of America's offer, they will likely match it to get a new account, especially since local institutions tend to be more flexible.

**Note** Mr. Schepker inquired whether we are comfortable with an 8-month term if we opt for Charter Oak, or a 7-month term with Bank of America for a CD. He asked if we are agreeable to these terms and if we anticipate needing the funds during that period.

**Note** Mr. Cellino pointed out that we have \$375,000, with \$160,000 in a money market at 4%, which should provide ample funds for our probable needs. This leaves us with \$215,000 available to invest, considering the sweep account already contains \$139,000 and there's \$75,000 in the checking account.

**Note** Mr. Bayne stated that the most significant challenge we face stems from the outcomes of last week's DEEP discussion. There is considerable preparation ahead of us. DEEP has encouraged us to address any tasks that can be completed before winter, particularly the repair of any piers or groins in serious need of maintenance, and they are willing to collaborate with us to expedite the process.

**Note** The attendees further discussed the CD and money market options.

**Note** Mr. Capozza said he has concern also about earmarking some of these long-term funds into shorter maturities, in case we start doing some replacement or repairs for the existing assets. He thinks by an 8-month term, it achieves that balance.

**Note** The attendees discussed how to manage and invest the capital reserve funds to maximize returns while maintaining flexibility.

**Note** The following items were also highlighted and discussed in detail:

The role of the Finance Committee in making recommendations to the BOG regarding financial decisions.

Strategies for managing excess operating funds to ensure they are protected and earn interest.

Accounting practices used for managing the Association's finances.

Consideration of debt for funding projects.

The replacement of former Finance Committee Member Tom Cherry.

Ed Zito, with a career in banking, was mentioned as a potential candidate.

Jim Comer was mentioned due to his involvement with the Mary Cahill Fund, and Brian Comer was noted for his financial expertise.

**Note** The investment policy was reviewed to ensure compliance with the structure of the investment committee. It was confirmed that the committee should consist of the Treasurer and two Board Members, but there is flexibility to include community members if desired. Mr. Schepker said for the record, he would like to offer a quick word of thanks to Tom Cherry for his past service as a Board Member liaison to this Finance/Investment Subcommittee.

**Note** The attendees inquired about ways to support the Treasurer, especially in managing big capital projects and providing cash flow forecasts. Mr. Capozza appreciated the support received so far and emphasized the importance of good input for effective financial management.

**Note** Mr. Capozza mentioned the excess operating funds. Currently, these funds are being deposited into our Liberty Money Market account, and this practice will continue. He will keep an eye on the sweep account, and once it reaches a specified threshold, he will transfer the surplus funds to the Liberty Bank Money Market account.

**Note** Mr. Capozza explained that the sweep is intended to safeguard any excess funds above the \$250,000 FDIC insurance limit. It operates through a separate bank yet remains under the Liberty umbrella. Currently, their interest rate stands at 0.15%.

**Decision** MOTION (1)

Mr. Cellino moved that they recommend that the Board of Governors authorize the Treasurer to investigate flexible funding accounts, such as money market accounts, with low four percentage rates, and to come back with recommendations.

Mr. Bayne seconded the motion.

Motion carried, 3-0-0.

**Note** Mr. Capozza's work was highly praised by Mr. Cellino, and the other attendees concurred.

## 4. Adjournment

**Decision** MOTION (2)

Mr. Bayne moved to adjourn the July 17th, 2024, Special Meeting of the BPBCA Finance/Investment Committee at 5:58 p.m.

Mr. Cellino seconded the motion.

Motion carried, 3-0-0.

**Note** Respectfully Submitted,  
Brooke Stevens, Recording Secretary