

Newtown Estates Community Association
BUDGET AND FINANCE COMMITTEE MEETING AGENDA
Tuesday, February 24, 2009

1. Call to Order
2. Roll Call
3. Introduction of Mr. Greg Ushijima, NECA auditor
To explain tax status of NECA vs. non –profit designation
4. Unfinished Business
 - 4.1 Review of Aug., Sept., Oct., Nov. Dec., Budget Reports by Richard Yamasaki
 - a. Recommendation to approve Budget Reports for Aug., Sept., Oct., Nov. and Dec.
 - 4.2 Alphetland LLC – Report by Anne Lopez
 - a. Meeting with Kyle and Amy Arizala; turned over the gross receipts and copies of insurance policies.
 - (1) Also discussed other terms: prefer to keep the lease rent about \$7200 for five years, due to current economic times and also past increase in lease rent over 5 years was 40%.
 - b. Did not want NECA to examine their books
 - c. Admitted that they have not been paying 4.712% on gross receipts, only 4%
 - d. **Approved by the Board:** Obtained approval to hire a contract lawyer, Ms. Valerie Kato to assist NECA in reviewing the new 5 year lease agreement with Alphetland.
 - (1) Letter sent to Ms. Valerie Kato, contract lawyer, 2-10-09
5. New Business
 - 5.1 Manager's Report (Mr. Richard Yamasaki):
 - a. **Approved by the Board:** to replace basketball backboards, rims, and pads.
 - b. **Approved by the Board:** to replace the Pool deck storage room doors and frames.
 - c. Bids approved by Building and Grounds Committee requiring B and F approval
 - d. Summary of projects out to bid
 - e. Reserve Study for NECA
 - f. RMP for the current Budget
 - g. Workman's Compensation premium for NECA is \$21,795 or 5.9% of \$367,427 (payroll)
 - 5.2 Hawaiiana Management Co.
 - a. **Approved by the Board** to allow Hawaiiana to move excess funds::The NECA Board of Directors will give Hawaiiana Management Co. authorization to move excess funds from NECA's operating account

currently at Bank of Hawaii to FDIC –liquid accounts.to invest and obtain higher interest rates from higher paying financial institutions.

- b. **Approved by the Board:** that NECA will arrange to have copies of NECA's Smith Barney statements provided to Hawaiiana Management Company in order to properly maintain NECA's general ledger, with the understanding that Hawaiiana will not have authorization to move any funds from Smith Barney without prior authorization from the NECA's Board of Directors. (Letter sent to Smith Barney to authorize this request sent Feb. 5, 2009, cc to Hawaiiana)
- c. NECA Bank accounts at CPB (Peggy Sugimoto)
 - (1) Current accounts at CPB
 - (2) Closing of Money Market Account and Transfer of Balance of Hawaiiana
 - (3) Status of Payroll Account
 - (4) Status of Operating Account; should this be converted to an Impress Petty Cash Fund? If so, what should be the amount of the fund?
- c. Status of transferring all accounting functions to Hawaiiana (Richard Yamasaki)
 - (1) Timing of transferring December 31, 2008, and status of December financials.
 - (2) March Assessments – expected mailout date
- d. Current Assessment report on any NECA delinquent accounts
- e. **Recommend** that NECA allows Hawaiiana to invest some of Smith Barney's Money Market funds to obtain higher returns on their interest rates. **Hawaiiana has a separate reserve account from operating account.** (2-17-09, The interest rate on a 6 month CD from one of Hawaiiana's Banks is 2.3% versus Smith Barney's 6 month CD is .9%. **or** a 12 month CD from Hawaiiana's Bank is 2.70% whereas, Smith Barney's 12 month CD is 1.5%. The difference in interest rates is significant to recommend that we allow Hawaiiana to invest some of our Smith Barney Money Market funds in their financial institutions for higher returns on their interest rates.

5.3. Report on Smith Barney: January 31, 2008 statements.

- a. Recommendation to move \$100,000 from Smith Barney Money Market to Hawaiiana for the cost of capital improvement, and/or to obtain higher returns on their interest rates.
- b. A \$75,000 CD from Amtrust Bank – OH, with 3.350% interest will mature on 3/20/09
- c. Morgan Stanley will enter into a joint venture with Smith Barney during the 2nd half of this year.
- d. **Approved by the Board:** to move \$35,000 from Smith Barney Money Market Funds into Hawaiiana FDIC-insured liquid accounts for capital improvements. (Letter sent on Feb. 5th to Smith Barney and cc to Hawaiiana).
 - (1) \$35,000 sent on 2-10-09 from Smith Barney to Hawaiiana

5. 4 Treasurer's Report

6. Next Meeting: Mar. 24, 2009 at 7:00p.m. (Fourth Tuesday of the month)

7. Adjournment

Submitted By:

Shizuko Hanaumi