

**TAMARACK TRAILS  
FINANCE COMMITTEE MEETING MINUTES  
WEDNESDAY, NOVEMBER 15, 2023**

**In Attendance:** Committee Members: Tom Ferris, Dave Larson, Jane Vaske (Zoom), Larry White (Tamarack Treasurer); Absent: George Meyer, Bill Probst; Board Liaison: George Jesien; Guests: Janet Hirsch.

**1. Meeting Minutes Approval**

The minutes from the October 18, 2023, meeting were approved as written.

**2. Finance Committee Membership**

The following is the status of the current Finance Committee members for 2024:

1. Tom Ferris is completing his second term on the Committee and will continue for his last two-year term.
2. Tom will check with Bill Probst
3. Jane Vaske is completing her first term and will continue for another two-year term.
4. Dave Larson was elected to the Board, so this is his last meeting on the Committee. However, the Board elected Dave as the Treasurer. Therefore, at the next Finance Committee meeting, Dave, as the Treasurer, will be an ex-officio member of the Finance Committee with voting privileges.
5. George Meyer is completing his first year.
6. Since this is Larry White's last year on the Board, this will also be his last Finance Committee meeting as the Treasurer. However, Larry has volunteered to join the Finance Committee. The Finance Committee voted to recommend Larry's membership on the committee. Larry abstained.
7. Denison Tucker volunteered to rejoin the Finance Committee. The Finance Committee voted to recommend Denison's membership on the committee.

**Action Item: The Finance Committee requests Board approval of Larry White's and Denison Tucker's membership on the Finance Committee.** (NOTE: Since Larry White is still a member of the Board, we ask the Board to differ their decision on both Larry and Denison until the December meeting.

**3. Unaudited September 2023 Financial Reports**

The October Financial Report was not available at this time. I will send it out to committee members as soon as I get it from Jean. The only comment raised regarding the September Financial Report was that Reserve Account #42610, Investment Gain/Loss, showed a loss for September of almost \$21,600.

Based on the 2022 audit report and the Unaudited September 2023 income statements, the Reserve Fund Balance is estimated to be a little over \$920,300, an increase of \$16,000 from the August 31, 2023, balance. The September 30, 2023, balance consists of the US Bank investment balance of \$519,100, Edward Jones investments of \$209,700, and cash and other net assets estimated as \$191,500. However, the unspent carryover of 2022 budgeted spending for the

swimming pool amounting to \$122,850, reduces this amount to \$797,500. The US Bank investment balance as of October 31, 2023, was \$506,100, a decrease of \$13,000.

The minimum reserve balance as of December 31, 2023, per the 30-year spreadsheet used to develop the 2023 reserve budget, should be \$551,900. While the September 30, 2023, balance is well above the minimum balance as of December 31, 2023, this is deceptive. As we have stated previously, in the next two years we will have two more phases of asphalt paving on Oak Creek, increasing wood rot repair costs, and the replacement of the swimming pool. Also, we do not know what the Reserve Advisors will have to say when they issue their reserve study next year. Reserve Advisors informed us that the cost of the 2024 reserve study will be \$8,450 unless we make the payment in 2023. In that case, the Reserve Advisors informed us that the cost will be reduced to \$7,500. The Finance Committee discussed recommending that the Board approve the payment for the reserve study before the end of 2023.

**Action Item: The Finance Committee recommends to the Board that it prepay the cost of the Reserve Study in 2023 (\$7,500), saving \$950.**

#### **4. Reinvest Maturing Edward Jones Investments**

A 6-month CD, with a matured value of \$69,000, matures on 12/5/2023. A 3-month CD, with a matured value of \$69,000, matures on 12/15/2023. After a discussion, the Finance Committee agreed to recommend to the Board that the CDs maturing in December 2023 should be reinvested in 3-month treasury bills or CDs, whichever is more advantageous at the time. Dave Larson informed the committee that Zach Burch, our financial advisor with Edward Jones, has left for a job with Ameriprise. Tiffany Miller will be our new financial advisor.

**Action Item: The Finance Committee recommends to the Board that the CDs in Edward Jones maturing in December 2023 should be reinvested in 3-month treasury bills or CDs, whichever is more advantageous at the time.**

#### **5. Discuss Final 2024 Annual Budget Issues**

The committee discussed the following changes to the draft budget handed out at the October 10<sup>th</sup> budget hearing:

- a. Add \$7,900 to various operating and reserve accounts for increases in staff payroll and health and dental premiums.
- b. Add \$2,000 to Account 52500, Board Expenses, for 50<sup>th</sup> anniversary events.
- c. Subtract \$2,000 from Account 54000, Legal/Professional Fees, for the above addition to Account 52500. While we can remove the cost of the reserve study from the 2024 budget since it will be paid in 2023, we will leave the amount in Account 54000 for expected higher legal costs.
- d. Add \$3,800 to Account 62100, Trash Collection, for estimated impact of renewing trash collection contract.
- e. Switch \$19,800 from Account 71100 to Account 73150, for concrete work other than Oak Creek
- f. Add \$7,500 to Account 73300, Dwelling Gutters, to address gutter problems on ten units.

Since we are already at the maximum 10% increase in the AMA, the impact of the changes does not change the total increase in reserve assessments for 2024. After a discussion, the committee approved the following motion recommending that the Board approve the final 2024 budget. Attached are revised 2024 budget schedules.

**Action Item: The Finance Committee recommends approving a budget for 2024 that was previously recommended to the Board in October with the following changes:**

- 1. Add \$7,900 to various operating and reserve accounts for increases in staff payroll and health and dental premiums.**
- 2. Add \$2,000 to Account 52500, Board Expenses, for 50<sup>th</sup> anniversary events.**
- 3. Subtract \$2,000 from Account 54000, Legal/Professional Fees, for the above addition to Account 52500.**
- 4. Add \$3,800 to Account 62100, Trash Collection, for estimated impact of renewing trash collection contract.**
- 5. Switch \$19,800 from Account 71100 to Account 73150, for concrete work other than Oak Creek.**
- 6. Add \$7,500 to Account 73300, Dwelling Gutters, to address gutter problems on ten units.**

The final budget still represents an overall 10%, \$42.62, increase in the total AMA.

#### **6. Association Manager's Report**

Signed two contracts:

1. Oak Tree removal- \$5,110
2. Snow Shoveling - \$50/hour, same rate as last winter.

Account 64100, Clubhouse Equipment – Stacey received a request from the Amenities Committee regarding the cost of new furniture for the second floor of the clubhouse. Since the cost is \$4,011, Stacey needs to bring it to the Board for their approval. There is also the question of whether the cost will put us over budget for that account since the Board approved the necessary replacement of the lift power supply and batteries, which was charged to Account 64100. In addition, the painting of the clubhouse was charged to this account, but this was a 2022 budget item carried over to 2023.

#### **7. Other**

No meeting in December.

Next Meeting – January 17, 2023 @ 3pm