

**APPROVED**  
**TAMARACK TRAILS**  
**FINANCE COMMITTEE MEETING MINUTES**  
**WEDNESDAY, JANUARY 17, 2024**

**In Attendance:** Committee Members: Tom Ferris, Jane Vaske, Larry White; Zoom: Dave Larson (Tamarack Treasurer); Absent: George Meyer, Denison Tucker, Bill Probst; Board Liaison: George Jesien; Guest Speakers: James Steinbach, Jayne Meyer, Janet Hirsch, Florence Hsia, Judy Bluel; Other Residents In Person: 3.

**1. Meeting Minutes Approval**

The minutes from the November 15, 2023, meeting were approved as written.

**2. Finance Committee Membership**

Comments regarding the Unaudited November 2023 Financial Report:

- a. November Operating Account #43000, Work Order Invoice Income – Amount through November was only about \$3,700 versus a budget estimate of \$10,000. This difference is due to a lack of maintenance staff.
- b. November Reserve Account #42610, Investment Gain/Loss – Finally, a gain. An increase of over \$37,000 in November.
- c. November Reserve Account #73500, Dwellings-Wood Repair – November credit is owner share of wood rot repair at 9 Mountain Ash.

Based on the 2022 audit report and the Unaudited November 2023 income statements, the Reserve Fund Balance is estimated to be almost \$980,000, an increase of \$67,000 from the October 31, 2023, balance. The November 30, 2023, balance consists of the US Bank investment balance of \$543,000, Edward Jones investments of \$211,000, and cash and other net assets estimated as \$226,000.

Related to the reserve fund, the 30-year spreadsheet used to develop the 2023 reserve budget showed that the minimum reserve balance as of December 31, 2023, should be \$551,900. While the November 30, 2023, balance is well above the minimum balance as of December 31, 2023, as we will see when we discuss the Funding for Current Swimming Pool Replacement Options, we may need every dollar.

The December financial report is not expected out until about mid-February.

**3. Estimate of Excess 2023 Operating Funds and Excess Cash**

The rough estimate of 2023 operating net income could be almost \$100,000. When you add depreciation back as a non-cash item, this increases to around \$112,000. We obviously won't know for sure until the December financial report is out and the audit is completed. However, there is not that much cash available to transfer to the reserve fund. Investments in CDs and T-Bills at Edward Jones amounting to over \$200,000 were already transferred to the reserve fund

last August. As is shown in the Operating balance sheet, total cash and investments amounted to \$158,000 at the end of November. We could transfer around \$50,000, which would reduce the total cash and investments to close to \$100,000, which is our current operating cash target. The preference, however, is to leave the money in the operating fund in case we want to make an advance to the reserve fund later. Once we have the December report and the 2023 audit report, we can revisit this topic.

#### **4. Funding for Current Swimming Pool Replacement Options**

Based on a recommendation from George Meyer, the Finance Committee discussed that it should concentrate on its responsibility to focus just on the financial side of the project and not the design aspects. Our strength and responsibility are to look at each option and indicate what it would take to pay for it. A pool reserve history discussion and a pool replacement options schedule were distributed in advance of the meeting. In response to George Meyer's recommendation, Tom Ferris prepared a matrix for the Board which lists each option for replacing the pool showing the costs and payment options (see attached).

Tom qualified that the matrix is based on current estimates which can change, and that we need to determine or estimate other costs not included in quotes, such as for any potential ADA compliance. We probably need a legal opinion regarding the potential for ADA compliance. For the first three replacement options, Tom concluded that we might be able to replace the pool without any loans or special assessments. Regarding any advances from the operating fund to the reserve fund, we probably need an opinion from our auditor, Wegner CPAs. For the last two options, a full-sized pool by either Badger Swimpools or Neuman Pools, the committee discussed the preference of loans versus special assessments. Regarding loans, the committee discussed the possibility of loans by condo owners. Regarding loans from owners, we probably need an opinion from our auditor, Wegner CPAs, on the tax implications of such loans. There was a discussion regarding the use of the funding method for option 3 to reduce the amount of loans needed. The committee discussed presenting Tom's matrix to the Board providing them with a suggested funding method for each of the five pool replacement options.

**Action Item: The Finance Committee moved to present to the Board Tom's matrix providing them with suggested funding methods for each of the five pool replacement options.**

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

No report.

#### **6. Other**

Next Meeting – February 21, 2024.

TJF 1/17/2024