

APPROVED
TAMARACK TRAILS
FINANCE COMMITTEE MEETING MINUTES
WEDNESDAY, April 17, 2024

In Attendance: Committee Members: Tom Ferris, Larry White, George Meyer, Denison Tucker, Dave Larson (Tamarack Treasurer); Board Liaison George Jesien; Absent: Jane Vaske, Bill Probst; Guest Speakers: James Steinbach, Jayne Meyer, Janet Hirsch, Don Haasl, Sharon Genthe.

1. Meeting Minutes Approval

The minutes from the March 20, 2024, meeting were approved as written.

2. Unaudited December 2023 Financial Reports

a. Reserve Fund Balance

Based on the 2022 audit report and the Unaudited February 2024 income statements, the February 29, 2024, Reserve Fund Balance is estimated to be almost \$1,120,000, an increase of \$60,000 from the January 31, 2024, balance. The reserve balance as of February 29, 2024, consists of the US Bank investment balance of \$582,000, Edward Jones investments of \$208,000, and cash and other net assets estimated as \$330,000. The US Bank investment balance as of February 29, 2024, reflects an increase of about \$13,000 from the January 31, 2024, balance. The US Bank investment balance was \$595,000 as of March 31, 2024, an increase of \$13,000 from the balance as of February 29, 2024.

The estimated reserve fund balance of almost \$1,120,000 as of February 29, 2024, compares favorably to the minimum reserve balance as of December 31, 2023, of \$551,900.

b. Edward Jones Investments

Three Certificates of Deposit matured in March. A CD, with a matured value of \$67,000, matured on 3/6/2024. Another CD, with a matured value of \$70,000, matured on 3/15/2024. Finally, the third CD, with a matured value of \$70,000, matured on 3/21/2024. After a discussion at our February meeting, the Finance Committee agreed to recommend to the Board, and the Board approved, that the CDs maturing in March 2024 should be reinvested in 9-month treasury bills or CDs, whichever is more advantageous at the time. Stacey reported that the CDs that matured on March 6, 2024, and March 15, 2024, were both reinvested in 9-month CDs at a rate of 5.2%. Stacey also reported that the CD that matured on March 21, 2024, was reinvested in a 3-month CD at a rate of 5.4%. At our

February meeting, the Finance Committee agreed to recommend to the Board, and the Board approved, that excess cash amounting to \$250,000 should be invested in 3-month treasury bills or CDs at Edward Jones, whichever is more advantageous at the time. Stacey reported that she worked with Old National Bank and Edward Jones regarding the investment of \$250,000. She also reported that Old National and Edward Jones prefer that such transfers be done electronically now, rather than by writing a check. However, Old National has a limit of \$100,000 per day on electronic transfers, so the transfer took place over 3 days. The \$250k was invested in a \$246k CD @ 5.3% and a \$4k CD @5.25%. The investment was broken up this way due to the FDIC.

3. Swimming Pool Replacement Funding

In deciding on which pool funding option to recommend to the Board, we need to take into consideration Restated Declaration Article III, Section 2d which says:

Section 2. Members' Right of Enjoyment. Every Member shall have a right of enjoyment in the Common Area. The Members' right of enjoyment shall be subject to the following:

(d) The right of the Association to mortgage any or all of the facilities constructed on the Common Area for the purposes of improvements or repair of the Property pursuant to approval of two-thirds of the votes of the Owners.

The committee discussed various bank loan options ranging from \$0 to \$400k. Loan Solutions for Community Associations from National Cooperative Bank and Wintrust Community Bank were distributed as part of this discussion. George Jesien proposed a small special assessment of \$300 per unit as part of any funding solution. Don Haasl proposed the use of user fees to pay for any loans.

Regarding the pool replacement funding, the Committee discussed the following:

- a. A motion that the board charge the finance committee to continue to explore financing options for the pool construction to determine potential financial parameters for a construction loan and/or line of credit.
- b. A motion that the board obtain an attorney's opinion regarding possible collateral options that can be used to secure a loan and/or line of credit for the upcoming pool construction according to the current By-Laws and Restated Declarations.

Action Item: The Finance Committee recommends that the board charges the finance committee to continue to explore financing options for the pool construction to determine potential financial parameters for a construction loan and/or line of credit.

Action Item: The Finance Committee recommends that the board obtain an attorney's opinion regarding possible collateral options that can be used to secure a loan and/or line of credit for the upcoming pool construction according to the current By-Laws and Restated Declarations.

4. Association Manager's Report

Stacey reported on the following:

- a. The Maintenance Committee approved several contracts (trash collection, rock walls, drainage, and tree maintenance) and is asking the Board for its approval.
- b. The 2023 audit has been completed. Tom reported that the plan right now is that Jordan of Wegner CPAs will make a presentation at the May 15th Finance Committee meeting to discuss the overall audit results.
- c. The cost of some of Tamarack's contract work, such as concrete, will be reflecting sizable increases.

5. Other

For the committee to discuss monthly financial reports on a timelier basis and to allow more time to prepare meeting minutes before the Board meetings, we discussed the possibility of moving our meetings to the first Tuesday of the month. We decided to defer any decision until the end of the year.

Next Meeting – May 15, 2024 @ 3pm