APPROVED
TAMARACK TRAILS
FINANCE COMMITTEE MEETING MINUTES
WEDNESDAY, JUNE 19, 2024

In Attendance: Committee Members: Tom Ferris, Larry White, George Meyer, Denison Tucker, Dave Larson (Tamarack Treasurer); Absent: Jane Vaske, Bill Probst; Association Manager: Stacey Haberman; Board Liaison: George Jesien; Guest Speakers: Jayne Meyer, Janet Hirsch.

1. Meeting Minutes Approval

The minutes from the May 15, 2024, meeting were approved as written.

2. Unaudited December 2023 Financial Reports

a. Comments and Questions:

i. Operating cash and investments at the end of April amounted to $282,000. This is an increase of $23,500 from the end of March.
ii. Of the 2024 pool budget of $41,300, only $850 was spent by the end of April. Additional funds have been used for pool water and chemicals since the end of April. With the pool being closed this year, any unspent amount will be used to help fund the new pool.
iii. Account #42610, Investment Gain/Loss - The investment loss for April related to our US Bank investments was $21,600. However, the US Bank investment balance was $593,800 as of May 31, 2024, an increase of just over $20,000 from the balance as of April 30, 2024.
iv. Account #54000, Legal/Prof. Fees – Actual amount spent through April was $11,925 compared to the 2024 budget amount of $11,450. The reason for the over expenditure is the reversal of the audit entry of $7,500 for the reserve study to be completed later this year, which was paid last year.
v. Account #71200, Common-Fencing & Signs - The budget for this account was $36,500. The pool funding options assume that we can push this spending back two years.
vi. Account #71300, Common-Water Mains – As a result of hydrant repairs and then replacement, we will be slightly over the 2024 budget.

b. Reserve Fund Balance

Based on the 2023 audit report and the Unaudited April 2024 income statements, the April 30, 2024, Reserve Fund Balance is estimated to be almost $1,203,000, an increase of about $20,000 from the March 31, 2024, balance. The reserve balance as of April 30, 2024, consists of the US Bank investment balance of

$573,500, Edward Jones investments of $463,000, and cash and other net assets estimated as $166,500.

c. **Maturing Edward Jones CDs**

Three Certificates of Deposit will mature before the July Finance Committee meeting. A CD, with a matured value of $71,000, matures on 6/28/2024. Another CD, with a matured value of $4,000, matures on 7/9/2024. Finally, the third CD, with a matured value of $246,000, matures on 7/15/2024. After a discussion, the Finance Committee agreed to recommend to the Board that the CDs maturing in June and July 2024 should be moved into a federated money market account at Edward Jones.

Action Item: The Finance Committee recommends to the Board that the three CDs in Edward Jones maturing in June and July 2024 in the amounts of $71,000, $4,000, and $246,000 should be moved into a federated money market at Edward Jones so that the money is more readily available.

3. Swimming Pool Replacement Funding

Funding schedules assuming a $400,000 loan or line of credit with a 3-year term and a 5-year term were distributed. As a result of potential increases in other reserve expenditures, the committee discussed increasing the loan amount to $600,000. If we get a line of credit, we will only pay for what we end up needing.

The committee discussed the timing of when we thought we would need the money for the new pool. Stacey estimated that we would need to pay 25% of the pool costs in 2024 and the remaining 75% in 2025. Tom Ferris will contact Tamarack's auditor, Jordan Dittmer, regarding an estimate of how much Tamarack will owe in taxes because of withdrawing investments to fund the new pool.

A letter was sent out to Tamarack's attorney seeking a legal opinion as to whether a loan or line of credit that is backed by assessments versus using common assets as collateral is allowable under Tamarack's restated declarations. We have not received a reply as of today. Besides the letter to our attorney, we also will need to do the following:

a. Find financial institution options for any loans or lines of credit.
b. Determine the amount, term, timing of loans or line of credit, and other financial parameters.
c. Determine how to manage Tamarack's US Bank and Edward Jones investments during pool replacement.

4. 2025 Budget Process Update

An email will be sent out no later than July 1st to the Budget Committee, Stacey, chairs of Amenities, Human Resources, and Maintenance Committees, and Grounds and Maintenance Supervisors, informing them that the annual budget process will start the last week of July or first week of August. The email will include a draft budget meeting schedule.

After a discussion, the Budget Committee, which assists Stacey with developing the 2025 budget will include: Tom Ferris, David Larson, Larry White, George Meyer, and Don Haasl.

5. Association Manager's Report

Stacey reported on the following:

a. We received $2,700 for the 2011 Colorado truck which was involved in an accident. Since we only need one vehicle at this time, Stacey expected that the truck would be sold.
b. Due to storm damage, we anticipate that there will be an increase in costs related to the landscape contract.
c. Stacey is still looking for a contractor to do our concrete work associated with the asphalt work. She believes that Findorff will do the concrete work associated with the new pool deck.
d. We have three contracts totaling about $16,000 related to wood rot repair. Based on current policy, Tamarack will be responsible for two-thirds of these costs or about $10,700. There are four other units which potentially will need repairs related to wood rot.
e. The cost to replace the deck at 66 Oak Creek is estimated to be $44,000.
f. We have hired another maintenance technician. In addition, some of the lifeguards which we will not need this year will be doing other maintenance and grounds work.

6. Other

Next Meeting – July 17, 2024 @ 3pm