

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

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

1. Meeting Minutes Approval

The June 19, 2024, meeting minutes were approved as written.

2. Unaudited June 2024 Financial Reports

a. Comments and Questions:

- i. Operating cash and investments at the end of June amounted to \$310,000. This is an increase of \$37,000 from the end of May.
- ii. The investment gain for June related to the US Bank investments was \$6,100. At the end of June, the net investment gain amounted to \$27,600 or 75% of the yearly budget.
- iii. Of the 2024 pool budget of \$41,300, \$5,400 was spent by the end of June. Additional funds have been and will be used for pool water and reimbursing potential lifeguards for the cost of being certified since the end of June. With the pool being closed this year, any unspent amount will be used to help fund the new pool.
- iv. Account #44400, Misc Operating Income – June income of \$3,125 was for a check we received on an insurance claim on truck and 50th anniversary sales. Money from 50th anniversary sales will eventually be closed to cover 50th anniversary costs in Account #52500, Board Expenses.
- v. Account #52500, Board Expenses – June expenses of \$2,990 were for Board and committee chair emails and 50th anniversary expenses.

b. Fund Balances

End of June Unaudited Fund Balances:

- i. Operating Fund-\$304,000, increase of \$25,400 from end of May balance.
- ii. Reserve Fund-\$1,272,400, increase of \$11,400 from end of May balance. This compares favorably to the minimum reserve balance as of December 31, 2024, of \$565,700.

The reserve balance as of June 30, 2024, consists of the US Bank investment balance of \$599,900, Edward Jones investments of \$465,000, and cash and other net assets estimated as \$207,500.

c. **Maturing Edward Jones CDs**

The three Certificates of Deposit that matured in June and July have been reinvested in a money market account at 5.15% with Edward Jones consistent with the Board's decision at its June meeting.

3. **Swimming Pool Replacement Funding**

Funding schedules assuming a \$600,000 loan or line of credit with a 3-year term and a 5-year term were distributed and discussed. 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 50% of the pool costs in both 2024 and in 2025. The plan is that we use cash and the funds invested in the Edward Jones money market account to pay off any pool costs in 2024. Then in 2025, take out a loan or line of credit and withdraw the funds from the US Bank to pay off the remaining amount due on the pool in 2025.

We discussed information from Tamarack's auditor, Jordan Dittmer of Wegner CPAs, regarding an estimate of how much Tamarack will owe in taxes because of withdrawing investments to fund the new pool.

The committee also discussed the legal opinion we received from Tamarack's attorney where she opined that a loan or line of credit that is backed by assessments versus using common assets as collateral is allowable under Tamarack's restated declarations. Based on the attorney's opinion, the committee believes that it is important that we begin the process of seeking out a line of credit. A team made up of Stacey Haberman, Dave Larson, and Tom Ferris was created. The committee also agreed that we should recommend to the Board that Tamarack should seek out a line of credit of \$600,000 based on assessments as collateral. A line of credit of \$600,000 will provide Tamarack with a better cushion for unanticipated pool costs.

Action Item: The Finance Committee recommends to the Board that it approve a motion to seek out a line of credit and/or a loan based on the need for funds for \$600,000 based on assessments as collateral.

4. **Association Manager's Report**

Stacey reported on the following:

- a. Poblocki has submitted a bid to do our concrete work associated with the asphalt work. The bid is for around \$83,000. The 2024 budget is \$50,600. Stacey will

continue to work with Poblocki on the quote as well as determining what concrete work is absolutely necessary.

- b. Stacey met with Louis Perry, our contact person with Rural Mutual Insurance. The renewal cost of our property insurance, excluding worker's compensation and auto insurance will increase by \$23,700, from about \$155,400 to \$179,100. This is a 15% increase. Since we were expecting an increase of over 25% due to the current insurance market, this is good news. Louis informed Stacey that if Tamarack has any events where we invite people from outside of Tamarack, we may be required to obtain separate policies for the event. In addition, we may have to deal with ADA compliance.
- c. The cost to replace decks these days has increased substantially to pay for wood rot. This is especially true for decks that are high off the ground. We will have to take this into consideration when developing our 2025 budget.

5. **Other**

Next Meeting – August 21, 2024 @ 3pm