

APPROVED
TAMARACK TRAILS
FINANCE COMMITTEE MEETING MINUTES
WEDNESDAY, October 16, 2024

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

1. Meeting Minutes Approval

September 18, 2024, meeting minutes were approved as written. September 25, 2024, special meeting minutes were approved as written.

2. Unaudited July 2024 Financial Reports

August 31, 2024, Unaudited Fund Balances were as follows:

- a. Operating Fund-\$274,300, a decrease of \$18,700 from the end of July balance.
- b. Reserve Fund-\$1,200,700, a decrease of \$59,200 from the end of July balance.
This compares favorably to the minimum reserve balance as of December 31, 2024, of \$565,700

As of August 31, 2024, the balance in the US Bank was \$629,000, an increase of \$13,000. As of the same date, the balance in the Edward Jones account was \$602,700, an increase of \$1,600. The Edward Jones funds include \$462,600 in a money market account and \$140,100 in CDs. As of September 30, 2024, the balance in the US Bank was \$639,500, an increase of \$10,500 from the August balance. As of the same date, the balance in the Edward Jones account was \$604,800, an increase of \$2,100 from the August balance.

These fund balances do not reflect the transfer of \$150,000 from the operating fund to the reserve fund, approved by the Board in September. While the reserve fund balance does reflect the first payments on the Oak Creek phase two asphalt and concrete work, it does not reflect the payment of \$615,692.15 to Badger Swimpools for work completed in 2024. The Badger Swimpool's bill will be paid for out of the Edward Jones investments and operating cash transferred from the operating fund as approved by the Board in September. The payment is expected later this week or next week.

3. **Committee Membership Status Updates**

The committee discussed which members will be returning in 2025. The following are the responses from each member:

- a. Tom will be returning for his sixth and final year.
- b. While Jane Vaske was absent, Tom believed that she indicated that she would be returning.
- c. George Meyer was ill, but he told Tom he would not be returning.
- d. Assuming Dave Larson will again be the treasurer in 2025, he will be returning.
- e. Larry White will be returning.
- f. Denison Tucker will be returning.
- g. Bill Probst was absent, and Stacey said she would check with him.
- h. Since he is not running for re-election to the Board, George Jesien has indicated that he might be interested in returning to the finance committee.

4. **2025 Annual Budget Update**

The meeting handouts included revised 2025 budget spreadsheets (see attachments). The only revision from the draft budget presented at last week's budget hearing reflects the premium quote for staff health insurance. The draft budget reflected a 7% increase in premiums. Unfortunately, the actual quote reflects an increase of around 19.8%. We are still waiting to hear about the premium for dental insurance. Based on this premium increase, the budget results in an increase in the AMA of \$26.40, a 5.7% increase. The draft budget for the budget hearing was an increase in the AMA of \$24.70, a 5.3% increase.

The committee discussed the request from the amenities committee. The amenities committee requested \$500 for an open fire pit between the clubhouse and tennis courts. While the committee discussed removing this item from the budget, it was decided to leave the amount in the budget in case the amenities committee decides it needs to request to spend the money on something else related to the clubhouse or the pool.

The committee discussed some of the comments made by Janet Hirsch at the budget hearing. The comments discussed included:

- a. Account #54100, Technology: Janet asked what expenses made up the 2025 budget amount which was \$12,000, the same amount as 2024. Stacey said the budget estimate included higher costs for Appfolio; the cost for Zoom; the monthly cost of website maintenance; the continued cost of finalizing the development of the new website, and other specific costs related to technology which we normally incur.
- b. Account #43000, Work Order Revenues: The budget increased the estimated work order revenue from \$10,000 to \$15,000 based on revenues of over \$12,000 through August 2024. Janet wanted to make sure that the work of the Association takes

- priority over work orders. It was noted that we have collected work order revenues of over \$12,000 through August of this year without sacrificing any work of the Association.
- c. Reserve Planning – Janet noted that trees and shrubs are an important asset to Tamarack, but they don't appear in the 30-year spreadsheet nor the Reserve Study. Also, we do not plan for future replacements. It was pointed out that operating Account #63300, Landscape Contractors, provides for the installation of larger trees and plants. The committee discussed that we should consider increasing the budget for this operating account in the future to cover the replacement of trees and shrubs. Due to the problems caused by transferring an account between the operating fund and the reserve fund, the committee preferred to leave it in Account #63300.

5. **2025 Assessment Calculations**

Larry White discussed two topics related to the 2025 assessment calculations: (1) the preferred cost per square foot for deck replacement and (2) the substitution of "best fit" for the four different approaches used in past assessments.

Larry explained that the assessment spreadsheet still uses a per-square-foot cost of \$39.00 for allocating the cost of decks. According to Larry, the current estimated cost per square foot is at least \$75.00 and probably closer to \$100.00. The committee approved using the \$75.00 amount when calculating 2025 assessments for two reasons: (1) this will phase in the large increase over two years rather than all at once and (2) the Board is currently discussing who should be responsible for the cost of composite material versus wood and stairs when replacing a deck.

Regarding the methodology to use when calculating assessments, after a discussion, the committee approved using a modified reserve assessment methodology so that we collect an amount that increases by inflation. By doing so, we will minimize under-collecting or over-collecting for specific reserve components such as roofs, asphalt, etc. When we under-collect a component such as roofs or decks, we make it up as a common cost shared by all 320 units.

6. **Association Manager's Report**

Stacey updated the committee on the following:

- a. Reserve Study – The Reserve Study is expected in a week or two.
- b. Stacey provided additional information to the bank that we are pursuing pool financing from. As Board President, James signed the form to authorize the loan origination fee.

Next Meeting – November 20, 2024 @ 3 pm. The date will probably change since the Board meeting will probably be moved up due to Thanksgiving on the 28th and the need to get assessments out to owners by the end of November.