

Finance Committee Meeting
July 20, 2021
3:00 pm Mountain Time

In attendance: Patti Tofe, Cindy Lowe and Ben Duhl

1. What do we want to accomplish this year?
2. Discuss Reserve Requirements

There are \$119,917 projects that have been budgeted for and about \$15,000 unbudgeted amount for heat sensors to comply with insurance company water damage loss mitigation plan.

Since 2019 there have been \$246,918.97 of completed budgeted projects and \$169,325.12 completed unbudgeted projects (of which \$119,116.88 was defect repairs during the siding renovation project).

In 2020, the maintenance committee completed \$12,240.89 projects from unallocated Maintenance Committee List reserve budget of \$12,264.
3. Discuss Cona Reserve Study

2021 replacement is \$68,750 for the clubhouse roof and the heat sensors.

2022 replacement is \$1,000 for irrigation controller.

2023 replacement is \$31,150 for concrete steps behind west end garages, entrance sign replacement, irrigation system major repair, roof vents, fire alarm control center, spa hot water heater and fire control room heaters.

2025 is the 1st year where there is a need for large reserve increase \$170,000 for major asphalt overlay.

2031 there is a need for large reserve increase \$80,000 for retaining walls.

2041 there is a need for large reserve increase \$425,000 for metal roof.
4. How do we suggest funding long term projects: driveway overlay and roofs?

Pay for driveway overlay from reserves and roofs as a special assessment.
5. 2021 Budget vs. actual

As of May 2021, Property Management is \$13,301.26 under budget. Expect this to be lower with the landscape expenses recorded this summer. Financial, Legal, Utilities and Insurance actual amounts are very close to the budgeted amounts. It is difficult to say much about reserves since most reserve projects are completed in the summer and fall when weather permits.

 - a. Invoices by Vendor

There are several new vendors to cover the landscaping needs that were provided by Neils Lunceford.

 - i. Sanders True Value closing – Keith will submit 2nd invoice for purchases
 - b. Operating balances

Are very similar to prior years.
6. Dues
 - a. Would like to get back to 2020 reserve dues amount \$99,384 annually

This is probably not necessary because there are not many projects listed in the Cona reserve study.
 - b. Determine operating dues requirement based on 2021 historical payments

This will be determined during the 2022 budget process.
7. Interest Income

In the Cona reserve study it shows we are getting around \$3,000 a year in Investment Earnings. This is not the case. So far in 2021 we have collected \$41. The \$250,000 in 1st Bank is not making any interest, however, it is protected by being FDIC fully insured. There has been about \$5,000 of reserve income from condo sale closings that are deposited into the reserve bank account from 2019 - 2021. This money is offsetting the Investment Earnings we are not getting. This may outweigh the need for investing the \$250,000 any differently. Evaluate using internet bank. *Note: Discovered internet banking does not allow commercial accounts.*

8. Siding Renovation Project summary

Reviewed the worksheet.

Thanks to Excellent Construction for coming in \$175,000 under budget. There was \$96,000 from the 50% shared savings, under budget amounts and interest available to pay towards the defect repairs leaving a remaining amount of \$22,000 paid from general reserves.

All items were approved by a BOD motion except for retaining wall painting that was less \$5,000 items requiring BOD approval.

9. Stuhr comment 2020 financial review

During the 2020 financial review the accountant was able to use the Siding Renovation Project Cash Flows binder to answer all the open issues and questions. She said it was a work of art.

10. Maintenance Committee projects

Most important project is the installation of heat sensors to comply with the insurance mitigation plan.

The Pella windows continues to be worked on by Excellent Construction. The guest bedroom windows have all been replaced. Pella sent one of each high-altitude window ordered at Lake Forest so Excellent Construction could replace it in a unit and take the old one apart to confirm there are breathing tubes. So far this has been the case.

Stone wainscoting continues to be unresolved. Still in communication with Edwards Stone.

Looking to engage an engineer to check the useful lives of all roofs after BOD approval.

Need no parking signs for Building A and warning signs for utility meters without stairs.

Keith has been looking at products for re-staining the spa deck.

Keith has been looking at checking roof vents

Keith is putting together a unit inspection list to minimize costly potential damages.

Cindy believes that the maintenance committee projects should have been included in the Cona Reserve Study. Will talk to Dennis Murphy about this. It was pointed out that although projects have been identified, it does not mean they will be completed. It is up to a maintenance committee member to champion a project and implement it. Some of the maintenance committee projects are implemented under the Maintenance Committee List reserve budget amount - this worked well in 2020.

11. Welcome Packet - updating

12. House Rules – updating. Check on registering pets.

Cindy suggested having another meeting after the BOD meeting 8/2/2021.