

MINUTES OF FINANCE COMMITTEE MEETING

JUNE 8, 2026

Attending via phone: Stephanie Thomas, Chairperson, David Loendorf, Cliff Bujold

Absent: Mike Hatmaker

APRIL FINANCIAL REPORT: Showed net operating balance of over \$10,000. We are on track to make a substantial contribution to the Reserve Fund at end of year.

RESERVE STUDY: Discussion on realigning the line items to move some into the operating budget in order for the Reserve Fund to focus on the largest future expenses.

ACTIONS:

- 1) **Move some current repair items from Reserve** into operations: concrete, landscape light, wall and fence (repair, paint), various minor irrigation expenses.
- 2) Ask the **Maintenance Committee** to make an annual inspection of the above items and inform the Finance Committee of what needs to be repaired, the estimated cost and the last time repaired. These figures will be worked into the ten-year budget.
- 3) Ask the new management company for **references for an exterior painter**, so we can get an estimate of current cost to paint all the villas. This figure is necessary for calculating future repair/replacement costs.
- 4) **Contact Copper Ridge roofers** and request a current cost of re-roofing all villas.
- 5) **Extend the “useful life”** of these Reserve items:
 - Replenish granite: Needed in two years given current spotty ground cover
 - Paint buildings: Change expected life from ten to twelve years; painting due in five years, not three
 - Flat roofs: extend from two years to five years because of recent repairs

MATURING CD at Live Oak on June 16, 2026

DISCUSSION: Interest rates at Live Oak and Western Alliance are comparable in the 3.9/4.0% range, better than at First Citizens.

ACTION: **Roll over** the Live Oak CD for six months at 3.9%. Confirm with new management company. Inform HBS of decision to roll over.

2027 BUDGET

COMMENTS: There will be an increase in **annual assessments** starting in 2027, not every year but frequently, to keep pace with depreciation of buildings and grounds as well as the economy: inflation, labor, materials. On the current trajectory, the Association is looking at a negative balance in the future which can only be corrected by increased dues and occasional small assessments. These adjustments are necessary if we are to maintain property values.