

## **JK FINANCE COMMITTEE MEETING MINUTES FOR 10/12/10**

### **ATTENDING:**

**Betty Latson, Chair of the Committee**

**Dave Beck**

**Jay Owens**

**Barbara Grodzins**

**Gina Zehr**

**Tom Meyers**

**Allan Werth, DK Property Supervisor**

**Rich Vicens, JK Property Manager**

**The meeting commenced at 6:35pm**

**Betty Latson announced that the topic for tonight's meeting was the Capital Reserves and necessary yearly contributions.**

**The 30-year cash flow projections based on the 2010 reserve study were passed out to the committee. Ms. Latson noted that the study still needed some work, but it would provide a good road map for the meeting.**

**As the reserve study stood, if the association did everything in the years projected by the reserve study the reserves would go negative in 2012. This assumed that the entire \$1.3 million dollar concrete contingency was used. Rich Vicens noted that to this point the concrete repairs were on budget, but we wouldn't know how much of the contingency might be used until the window project was complete.**

**The largest 2012 expense cited by the reserve study was approximately \$1,000,000 in repairs to the garage concrete and traffic membrane. Also included in 2012 is replacement of the James House roof, replacement of the sundeck, redecorating the halls in both buildings. Discussion centered on whether all these projects were necessary, which, if any could be deferred to later years when the reserve balance would be more favorable. It was**

**suggested that a separate study be done on the garage to give the Association a more accurate appraisal of what actually may need to be done to more accurately predict the cost of future garage repairs and their timing.**

**The committee also agreed to look into scenarios for reserving for limited common elements beyond 2012. A number of the reserve items are limited common elements. The committee agreed that it would be best to try to reserve for these expenses rather than direct charging the owners every 4-6 years.**

**The committee agreed that the reserve contribution should be increased significantly in 2011. Different scenarios were looked at ranging all the way up to 20%. This would yield a 4% overall assessment increase for 2011. Final decision on the increase was deferred to the last meeting scheduled for 10/19/10. Betty Latson urged the committee members to have all remaining questions or comments ready for the final meeting.**