

FINANCE COMMITTEE MEETING MINUTES
August 22, 2013

PRESENT:

Betty Latson, Committee Chair/Board Treasurer
Barbara Grodzins
Frances Andrews
Nancy Slattery
Barbara Fiacchino
Dorsey Ruley
Dave Beck
Judy Barnes
Jim Losik, DK Property Supervisor

Betty Latson called the meeting to order at 6:35 pm

Agenda: Review of Draft Reserve Study by Reserve Advisors dated July 29, 2013

In reviewing the Reserve Study, many questions and comments were raised. The following items were discussed, some of which needed answers:

Page 1.1:

- Investment Rate: annual rate of return on invested reserves is listed at 1.2%; ½% is the current rate we receive. Is 1.2% appropriate for all projected years?
- Reserve Fund Balance: \$3,660,189 is a conservative number given certain questions that are being researched.

Pages 2.4 and 2.5 need clarifications.

Definitions are needed for certain repairs and replacements as there seem to be contradictions in terminology. Are the classifications of these repairs and replacements the same as what our Auditors and D&K would use for capital and/operations budgets and financials.

It was further noted that both Kurt Kruger (building Engineer) and Tom Kristufek (Property Manager) are providing input into the report details.

Questions arose as to the basis for Reserve Advisor's assumptions. Did the estimated concrete costs come from Klein and Hoffman? Committee members also recommended that management identify tests needed to further necessitate the replacement of certain assets.

Reserve Advisors will finalize its report as soon as open items are researched.

The meeting was adjourned at 8:00 pm.