

Minutes – Finance Committee Meeting

February 26, 2024, 4:30 pm

Present at last meeting: Will Vizzard (m), Tara Foust (m), Don Landsittel (m), Nina White (m), Susan Timmer (m), Nicole Marks (Manager), Bill Henle (Board liaison) Observers: Courtenay Delfin, Carol Duke, Karen Lowrey, Cheryl Nelson

- 1) Approval of January minutes – Approved via email. Link to Zoom recording of meeting: <https://nepenthehoa.com/finance-committee/>
- 2) Homeowner questions/comments
- 3) Updates from Management/ Board
 - i. Meeting with Bob Browning:
 - i. Thoughts about how to improve on the process
 - Reserve expenditure projections were inaccurate- staffing problems at Nepenthe resolved, starting the reserve study at the appropriate time
 - ii. Site visit plan
 - Timing- Site visits will begin the end of March, beginning of April.
 - Expectations- Nicole will serve as the point person for information exchange with Browning.
 - Review process- The Board will review the drafts and involve the FC as they deem useful.
 - Draft turnarounds- The first draft should be available in late May, early June.
 - Final deliverable- We should receive the final deliverable sometime in August
 - iii. Reserve study: questions, issues for next year (running list for Browning)
 - What are alternatives to mitigate the impacts of increased product, material and labor costs
 - Implications of extending projects to reduce expenditures during fiscal periods
 - ii. Siding- Browning will use the cost estimates that Paul Reeves and the contractor worked up for Phase 2, as they went into more detail than he usually does for a site visits.
 - What is the impact on the reserve study of using a product with a higher anticipated useful life than T1-11? This is still unknown.
 - Extending siding cycle from 6year to 12 years- Current siding cycle is set at 12 years, with expectations that there will be some minor yearly siding expenses.
 - iii. Painting-
 - Make sure that paint cycle syncs with the siding cycle- Current paint cycle is set at 6 years so that every other cycle will coincide with a siding cycle.
 - Determine whether there is value in Including a mid-cycle touch up- Current reserve study includes a mid-cycle touch up.

- What is lifespan of the current painting product
 - iv. Tennis courts-
 - Resealing costs- Browning will confer with the tennis court specialist.
 - Elmhurst courts- Maintenance will be deferred until the Board decides what to do with that space. It needs a total overhaul, even if not used for tennis in the future.
 - v. Landscape-
 - Turf irrigation changes per AB1572- There is still not enough information to budget changes driven by this law.
 - ii. Siding and painting- Browning estimated the total number of sheets in Nepenthe homes at 33,000. Ms. White will continue to collect information on numbers of sheets per unit. She will develop the spreadsheet to include the numbers of sheets replaced per unit, including unit addresses and zones. Current estimates project that we will replace 1/3 of sheets during the current siding replacement efforts.
 - iii. Landscape- No updates
 - iv. Water billing- Per Ms. Marks, our consultants, Wood Rodgers, have reached out to the City asking for data on water usage.
- 4) Old business:
- a. Reserve study funding goals- Threshold goals and percent funded were discussed
 - b. Budget forum- The forum will likely take place in August. No firm date has been set.
- 5) New business:
- a. January financials- Per Ms. Marks, we were unable to make our reserve contribution in January because of cash flow problems. She is working with GL to schedule extra contributions to make up this amount to get us back on track.
 - b. January reserves- Ms. Marks is review 2023 expenditures to make sure expenses were allocated correctly to the operations vs. reserve budgets. She will have the reserve tracker revised shortly and will send out.
- 6) Meeting adjourned- 5:47 p.m.
- 7) Next meeting- March 25, 2024