

MOUNTAINBROOK VILLAGE AT GOLD CANYON RANCH ASSOCIATION

Board of Directors August 22, 2005 – 2pm Mesquite Room Minutes

Andy Kurtz called the meeting to order at 1:58pm. A quorum was present.

Members in attendance: Bob Leighton, Mary Peters, Dan Wienckoski, Larry England, Cis Haines

CCMC Representatives: Debra Campbell, Community Manager
Debbie Blanchard, Covenants Coordinator
Stephanie Fee, CCMC Asst. Regional Vice President

Andy addressed the residents and explained how the Board had solicited bids for the reserve study. It was determined that Dan Wienckoski could do the reserve study update. Kurtz then presented copies of handouts which explained what the reserves were and why they are needed.

Wienckoski then presented an overview of reserves in an overhead presentation format. Association Reserves had done a study in 2000 and the study was updated in 2002. An executive summary of their findings was presented. Wienckoski explained that a reserve study was a physical and financial analysis. The components of a physical asset include common areas, the limited useful life, predictable life limit, and the cost must be significant. Wienckoski then reviewed how useful life and remaining useful life are established.

Cost estimates are established through association history, similar properties, vendor interviews, and printed or cost guides.

Whether or not reserve funds are adequate for the needs of the association is determined by the percentage funded. If reserve funding is less than 30% it is considered poor. A percentage between 30 and 70 is considered fair, and above 70% is considered good. Currently, MountainBrook funding is considered fair at 51% funded.

Wienckoski presented a table of the MountainBrook Reserve Summary. The starting balance was 190,000 in 2003. He then presented a graph on cash flow compared to expenses which showed a 3% reserve increase for the first 12 years then it is reduced to 2% thereafter. It was noted that the reserve budget is only 10% of the total budget.

Wienckoski then fielded questions from the audience. It was noted that no assets are projected in the reserve fund until it is actually acquired/built. Wienckoski noted that the reserve fund is currently at 54.5% funding. Kurtz noted to the audience that the financial statements are in the library for review by all residents who are interested. The audience then inquired about increasing the amount charged to new homeowners for the future development fund. A background of how the amount was established was reviewed by Springer.

The Board consensus is that reserve funding should increase 6% in the 2006 budget.

The meeting adjourned at 2:20pm.

Debbie Blanchard
Recorder