CAPEX Committee –Meeting Minutes

Date: January 13, 2026
Location: Virtual Meeting

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1. Call to Order

The meeting of the CAPEX Committee was called to order at 9:01 PM by **Lark Marie**, Chair. The Chair welcomed members and noted the start of the new year.

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2. Attendance

Present:
Lark Marie (Chair)
Eamonn McGeady
Rick Dengler
Chauncey Brooks
Colleen Clarke

Absent:
Chris Caine

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3. Review of Prior Action Items

- The Chair confirmed updates to the CAPEX model, including revised reserve floor assumptions and incorporation of an initial ending balance.
- It was noted that the audited ending balance is expected later in Q1.
- Confirmation was provided that the Miller Dodson study includes the utility building within its square footage and unit counts.
- The 2026 timing matrix of major expenses was not completed; however, members generally agreed that most major expenditures are expected in the third and fourth quarters.

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4. Sandspit Bridge

- The Committee confirmed that no board decision has yet been made regarding the Sandspit Bridge.
- The item remains in the CAPEX model.

- Members noted that the decision is closely tied to the potential establishment of a Shore Erosion Control District, which is not expected to be resolved until next year.
- Consensus was that the issue is not urgent unless maintenance spending begins, and that funds should not be expended if long-term maintenance is not intended.

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5. Utility Building and Roof Condition

- The Committee discussed whether the utility building should be treated as a standalone CAPEX item.
- Concerns were raised regarding the condition of the utility building roof, including existing openings.
- Short-term mitigation was recommended to prevent further deterioration, with a more comprehensive evaluation deferred to spring.
- It was noted that the roof is approximately 40 years old and may require additional work beyond basic repairs.

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6. Miller Dodson Study and Interim Assessments

- The Committee discussed options including:
    - Requesting an interim update to unit pricing,
    - Advancing the full Miller Dodson study ahead of its scheduled cycle, or
    - Engaging targeted engineering expertise (e.g., marine engineering) for specific assets.
- Members expressed concern that COVID-era inflation has significantly reduced the reliability of existing unit pricing.
- General consensus emerged that advancing the full study (estimated previously at approximately $5,000) may be prudent, subject to budget considerations and board approval.

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7. Parking Lot Project

- The Committee revisited the parking lot project and potential cost-sharing with the Marina.
- If the HOA were required to fund the project in full, members noted a potential negative impact of approximately $30,000–$40,000 on the 2026 CAPEX model.
- No resolution was reached; the matter was deferred pending further coordination with Marina leadership.

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8. Marina Capital Planning Discussion

- Significant concern was expressed regarding the absence of a long-term CAPEX plan for the Marina and its current level of underfunding.
- The Committee reaffirmed that Marina and HOA reserves should remain separate (no vote was had).
- Members agreed that increased visibility into Marina finances and long-term planning is necessary.
- It was emphasized that decisions regarding Marina funding structure fall outside the authority of the CAPEX Committee.
- The Chair and Eamonn reiterated their willingness to assist the Marina Committee in developing an initial CAPEX model, should that committee request support.

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9. Finance Committee Coordination

- The Committee discussed coordination with the Finance Committee.
- Consensus was reached to rotate CAPEX Committee attendance at Finance Committee meetings rather than establish formal dual membership.
- Emphasis was placed on attending meetings during the third and fourth quarters when budget preparation is underway.
- The Chair agreed to obtain the Finance Committee meeting schedule and circulate it to members.

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10. Annual Meeting Presentation and CAPEX Deck

- The Chair presented a draft outline of slides intended for the annual meeting, including:
    - CAPEX Committee mission and meeting cadence,
    - Summary of recent and projected spending,
    - High-level overview of major capital items, and
    - Reserve balance trends and reserve floor assumptions.
- The reserve floor was discussed, including its escalation by 12.5% every five years to account for inflation and financial prudence.
- A member cautioned against expanding the model beyond its original purpose of testing reserves against known assets, while others noted the model's evolution into a broader planning tool.

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11. Reserve Contribution Strategy

- The Committee reviewed the modeled 3.5% annual increase in reserve contributions through approximately 2041.

- Members noted that this approach is intended to reduce the likelihood of future special assessments while maintaining reserve adequacy.
- It was clarified that major accelerations or upgrades to assets would still require separate board approval and potential special assessments.

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12. Big-Ticket Forecast and Pool Modeling

- The Committee reviewed a 25-year forecast highlighting years with significant capital expenditure spikes.
- Pool-related expenses were discussed, noting that multiple components are modeled separately based on differing useful lives.
- Members supported the development of an illustrative “pool example” slide to demonstrate how individual components roll up into overall pool-related capital spending.

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13. Model Scope Clarification

- The Committee agreed on the importance of clearly communicating that the CAPEX model:
    - Addresses maintenance and replacement of existing assets only,
    - Does not include upgrades, expansions, or new amenities, and
    - Does not replace the need for special assessments for major redevelopment projects.
- Members recommended explicitly stating these assumptions in the annual meeting presentation.

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14. Action Items

- Eamonn - Confirm cost and timing for advancing the Miller Dodson study and prepare a recommendation for the Board.
- Eamonn - Arrange short-term mitigation for the utility building roof and revisit long-term solutions in spring.
- Lark - Obtain and circulate the Finance Committee meeting schedule and establish a rotation for CAPEX attendance.
- Lark - Model a scenario in which the HOA funds the parking lot project without Marina participation.
- Lark - Update the annual meeting deck to clarify model scope and assumptions.
- Lark/Colleen - Develop an illustrative pool expense slide for presentation and review.