APRIL 26, 2008
TOWN HALL MEETING

A VIEW TOWARDS
A BRIGHT FINANCIAL FUTURE
ENABLING THE MAINTENANCE OF
THE CHARACTER OF BIG CAN0E

POA Commitment to Maintain the Character of Big Canoe

- Comprehensive statement developed in 2004
- Describes spirit, the values and responsibilities
- All Property Owners embrace and co-operate
- Collectively seek to make Big Canoe an even better place

- POA is charged with
  - Maintaining common property
  - Managing change
  - Respond to needs of Property Owners
  - Enhance property value

- Capital Reserve Funding Program
  - POA duty to ensure adequate financial reserves
  - Assures future needs are addressed and satisfied
  - Result of planning for long-term health

FIRST, A LOOK BACK:

Big Canoe is over 35 years old.

There is a need for significant infrastructure upgrades.

A recent example:

> **Dismantling and removing the old docks was a real eye opener…they were in FAR WORSE SHAPE than even the committee imagined. A worker stuck his foot through a rotten board. The DOCKS FELL APART as they were dragged out of the water; EVEN THE STEEL BEAMS gave way. We had hoped that there might be some salvageable material, but most of it was worthless. We are indeed LUCKY THAT WE DIDN'T HAVE ANY ACCIDENTS in the past few months..**

THESE NEEDS HAVE BEEN RESEARCHED AND QUANTIFIED…….

Reserve Funding History

- Reserve Advisors, Inc. Study February 28, 1995
  - 132 Major Common Elements
  - Recommended $15M Reserve Funding over 20 – year period
  - No Action Taken to Establish or Fund Capital Reserves

- Late 2005 Finance Advisory Committee
  - Recommend Establishment & Funding of Capital Reserve
  - March 2006 Repeated in Open Board Meeting
  - Prudent Recommendation Requiring Significant Planning
  - Action was to Establish LRPC & LTFC
  - Need for Updated Reserve Study
  - Basis for Current Recommendation

Additional Background

- Big Canoe is in the Fourth Year of Self-Governance
- The Need for Long-Term Planning was Immediately Apparent
- The Finance Advisory Committee Recommended a Reserve Fund in 2005
- The Long Range Planning Committee and the Long-Term Finance Committee were Established in 2006
- The Only Reserves Historically were for Amenities and Operating Purposes

PLANNING COMMITTEE RECOMMENDATIONS

Property Owner Volunteer Committees devoted two years effort.

Claud Lacey, Chair of LTFPC

Infrastructure needs

Initial cost estimate

Chuck Palmer, Chair of LTFC

Reserve Study

Funding options

Recommendation for funding

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Capital Reserve Fund

There is a Need for a Capital Reserve Fund.

A CAPITAL Reserve Fund will Ensure the Long-term Financial Health of Big Canoe.

It will Allow Future Boards to Make Decisions to Improve Big Canoe.

WHAT'S NEXT

30 Day period for Comments

Suggested alternatives

Assessment of Feedback

POA Board Vote on Recommendations
June 18th Open Board Meeting

Property Owner Vote
July