

MINUTES – 2025 FINANCIAL REVIEW OWNERS MEETING
NOVEMBER 13, 2025

Meeting was called to order at 6:00 pm by Trustee Tom Jones. Mr. Jones called for new owners to introduce selves, then introduced all fellow Trustees. Fewer than 1/3 of all ownership was in attendance; however, no quorum was necessary as no ownership voting was being sought. Handouts of slides being used in the meeting were provided all attendees

Mr. Jones briefly highlighted significant 2025 issues, noting:

- Insurance assessment early in the year that enabled pre-payment of insurance premiums for the July 1 annual cycle, saving some \$14,000 in financing fees experienced in 2024. Reduction in premium costs for the 2025-6 cycle ending June 30, 2026 from \$183,000 to \$145,000 due to competition and industry-wide price softening.
- Gas user special collection due to higher gas pricing by provider, well above our budgeted expectations, usage rates, and the need to have funds carryover for the early 2026 winter season.
- New septic service provider – Baystate Environmental – buying the business from RB Our. Jones cited the work of Trustees West and Jurmu in the transition, securing new subcontracts to assure proper inspection, certification, pumping schedules, and related services.
- Transition from Crabtree & Associates to Cozby and Co., Plymouth, for CPA services beginning October 1. Trustee Andersen led the securing of the new provider and is managing the transition for Beach Plum. Owner patience was acknowledged and appreciated as the transition period completes; Andersen indicated that the timely invoice mailing and ACH (direct deposit) services should be fully operational in the next billing cycle.

Treasurer Andersen did an overview of 2025 budget versus 2026, noting minor increases in operating and capital budget, mostly due to capital needs and the expected high gas costs. She then reviewed the 2026 Budgets by prime element, indicating the total costs for each anticipated. Several questions were raised regarding budget details; these were answered, and owners will be able to access the full, detailed by line item composition of the full 2026 budgets online.

Andersen then discussed and showed the 2026 CAM Fee breakdown by Townhomes and Garden Units, also accounting for gas users' costs. It was noted that these could change slightly before year end as we get fuller 2025 budgetary performance numbers...however, such likelihood is considered light, and these numbers should be reliable.

Capital Budget 2025, 2026 and beyond

Secretary Jurmu presented a detailed review of all 2025 capital projects completed, noting that the full 2025 budget for total capital (projects plus reserve contribution) will equal \$125,000, with approx. \$72,000 being in project work as described.

She then reviewed the planned capital project budget and work plan for 2026, noting a total budget of \$130,000, a rise from 2025 of \$5,000, with a planned \$40,000 of that earmarked to go to reserve capital buildup. It was noted that once funds are transferred to reserve status they cannot, by IRS rules, be then used against operating expenses.

A question was raised as to how reserve funds are invested and at what interest rate – Treasurer Andersen indicated that we were in the process of changing banks from COOP to Rockland Trust,

required as a result of the CPA service change, and that investment options would be reviewed once that transition completed.

Jurmu completed her presentation by discussing the new, revised 20 Year Capital Forecast Plan, indicating the comprehensive review she had led to include all potential capital needs, when these need to be met in the 20-year cycle, and the aggregate capital need these represent over time...nearly \$2million.

Jurmu further revealed the status of our capital reserve estimated for January, 2026 demonstrating the need to act to increase same. A discussion ensued that illustrated the combined effect of Reserve Fund Study, MA state law requirements, and ensuing targets for an 'adequate' Capital Reserve Fund – estimated at 30% as a minimum of the total Reserve Fund Study (nearly \$2million), or in our case, \$600,000, and contrasted that with our estimated January 2027 Reserve Fund of estimated \$205,000---A deficit of nearly \$400,000.

In discussion it was noted that failure to have an 'adequate' Capital Reserve, apart from not meeting State standard, eventually would impact unit sales (and sale prices) due to mortgage lender restrictions incl. Fannie Mae and Freddie Mac and as well insurance underwriting, coverage and premiums.

Jones observed that unless owners did something else, using CAM fees **only** as a revenue source would bring them to approx. 1200/monthly on average by 2030, and still not get Beach Plum to its targeted adequacy goal of \$600,000, and opined that in such event CAM Fees might become larger than mortgage payments held.

A question was raised whether we had yet seen any impact of this on BP sales; Andersen responded yes, in the sense that sales now feature far closer scrutiny by realtors/buyers, their attorneys assisting, and the lending institutions involved...more information is sought, especially about the financial condition of the association, as well as its insurance coverage and management status. Without a course correction, we could anticipate increased scrutiny, in the worst case affecting total sales, selling time, pricing, and association value, as CAM Fees cannot continue to rise unabated.

Annual Reserve Fund Fee (ARFF)

Jones then discussed the Board's 5-year Annual Reserve Fund Fee (ARFF) plan, one developed to meet the minimum 'adequate' Capital Reserve target of \$600,000. The centerpiece is a \$550/unit annual Fee, dedicated exclusively to Reserves, billed July 1 each year beginning in 2026 and continuing through 2030. This, plus annual capital funds gained from annual CAM budgets would allow BP to hit their reserve target, after which continued annual CAM-related funding would return to budgeted levels. This model allows us to keep the annual rise in CAM to a minimum.

Special Fees

Jones then introduced three potential sources of funding reserves through various special fees: Leasing, Pets, and Transfer Fees, with full discussion of each. In aggregate these could raise up to an estimated \$65,000 over 5 years, allowing for possibly reducing accordingly the ARFF.

Several objections were raised, mostly at the pet fee suggestion. The Board noted that these special fees were for discussion and feedback through December 15, after which the Board will consider all suggestions/comments before arriving at any decisions. The ARFF, however, will go into effect 7/1/2026.

Closing Comments

Several questions and comments ensued on all these matters plus others not related, including pest control, the value of exploring solar power to offset energy costs, and other. The Board received compliments for its thorough assessment and plans.

The meeting was adjourned at 7:30pm.