

Lake and Dam Maintenance Fund - October 20, 2018

The need for lake restoration/dredging was identified and for 2015 Budget the SLA members voted to include a \$28 per lot assessment to the annual budget. This amounts to approximately \$9,000 per year. Every few (2 or 3) years the lake bays have been mechanically (long-arm excavator/backhoe) dredged. Currently the lake restoration/dredging fund has approximately \$18,000.

Also for the 2015 Budget a separate fund was also set-up by a vote of the SLA membership for an additional \$28 per lot assessment for the future repair of the water control tower. There is currently about \$36,000 in the designated tower fund.

A dam and spillway inspection was completed in October of 2017 by Greene & Bradford, Inc. of Springfield. The dewatering tower was not inspected due to "inaccessibility".

As a result of the 2017 inspection and report, the SLA Board requested the membership to vote for an additional \$60 per lot assessment in 2018 which set the total lot annual assessment at \$460 per lot. There is currently approximately \$19,000 in the Tower account.

To complete all the necessary repairs to the concrete spillway and retaining walls is estimated at \$90,000 to \$110,000 for Phase 1 and \$100,000 to \$125,000 for Phase 2.

It is obvious that to properly maintain the dam, tower, spillway and lake it will require significant funding for the next 5 to 10 years. It is the recommendation of the Board to seek approval of the membership at the Annual Meeting on October 20, 2018 to combine the three designated funds, Lake Restoration/Dredging (\$18,000), Dam Tower (\$36,000) and the Dam Spillway (\$19,000) into one designated account called "Dam and Lake Maintenance". This would provide an account balance of approximately \$73,000.

In addition, the Board will recommend that the fund being set up to combine the three assessments (\$28/\$28/\$60) be increased from \$116 to \$150 per lot annual assessment, an increase of \$34. This would increase the total per lot assessment to \$494 per year beginning on 2019. Assessments for the "Dam and Lake Maintenance Fund" would yield approximately \$48,000 per year. Over 5 years the \$240,000 plus the current \$73,000 could fund:

* Spillway Repair Phase 1 - \$110,000

* Tower Repair (if/when needed) - \$130,000 (undocumented estimate)

* Restoration/Dredging - \$100,000

Future years would allow for Spillway Phase 2 funding (\$100,000 to \$125,000) and additional lake restoration/dredging.

If approved, the Board will be given the authority to direct the appropriate funding available to each of the areas of Dam/Lake Maintenance needs.

This plan provides for longer term funding at a minimally appropriate level to insure that the main resource of SLA is maintained for the recreational and economical benefit of all SLA members. The maintenance fund would be funded by approximately 30% of the annual membership assessment per lot.

SUNSET LAKE ASSOCIATION 2019 BUDGET PROPOSED OCTOBER 20, 2018

This budget includes the assumption that the designated funding for Lake Reclamation/Dredging, Dam Tower and Dam Spillway will be approved to be combined into one designated fund and the associated assessment will be increased by \$34 to a total of \$150/lot which brings the assessment to \$494/lot. In addition the Budget includes a \$6/lot increase to cover increased budget items for seasonal maintenance workers and professional services. This brings the total proposed assessment to \$500/lot, which is a \$40/lot increase over 2018.

The Budget also provides for annual assessments for all multiple lots owners that are not covered by the “1995 Assessment Consolidation Agreement to Leases”. Enforcement of this By-Law increases the number of lot lease assessments from 319 to 336.

Other 2019 income and expense line items have been adjusted to reflect better estimates based on past history of actual income/expenses.

2019 Proposed Budget

<u>Income</u>	<u>2018</u>	<u>2019</u>
Assessments - 336 Class A Members:		
* General Operating Fund @ \$350.00		\$117,600.00
* Dam & Lake Maintenance Fund @ \$150.00		<u>\$50,400.00</u>
	\$146,740.00	\$168,000.00
Boating & Vehicle Permits	\$8,000.00	\$8,000.00
Building Permits	\$700.00	\$800.00
Fines & Penalties	\$500.00	\$800.00
Farm Lease	\$3,200.00	\$5,400.00
Interest	\$3,500.00	\$800.00
Transfer Fees	\$9,000.00	\$9,000.00
Cable Transfer Fee/Tower Ground Rental	\$1,200.00	\$2,000.00
Grounds Maintenance	\$3,500.00	\$3,000.00
Misc. Income (Hall Rental/Chlorine)	\$2,000.00	\$1,000.00
Lease Escrow (15 @ \$6,500)	\$0.00	\$97,500.00
Special Events/Fireworks Donations	<u>\$0.00</u>	<u>\$16,000.00</u>
Total Revenue:	\$178,340.00	\$312,300.00

Expenditures

Capital Improvement or Reserve Fund	\$5,000.00	\$0.00
Officie & Hall Expenses	\$2,000.00	\$2,500.00
Dam & Lake Maintenance	\$38,906.00	\$50,400.00
Fish Stocking	\$1,500.00	\$1,500.00
Weed Control	\$5,000.00	\$5,000.00
Grounds	\$1,200.00	\$3,000.00
Roads	\$12,808.00	\$12,000.00
Equipment Expenses/Supplies	\$3,000.00	\$3,000.00
Conservation & Watershed	\$7,426.00	\$7,500.00
Gas & Oil	\$5,000.00	\$5,000.00
Property Taxes	\$4,000.00	\$4,000.00
Insurance	\$9,600.00	\$9,600.00
Professional Fees	\$2,000.00	\$7,000.00
Utilities	\$9,500.00	\$10,000.00
Miscellaneous Expense	\$4,500.00	\$4,000.00
Lake Superintendent Salary	\$35,000.00	\$35,000.00
Secretary Salary	\$25,900.00	\$25,900.00
Seasonal Salary	\$0.00	\$3,000.00
Employment Taxes	\$6,000.00	\$6,000.00
Fireworks Display	\$0.00	\$16,000.00
Lease Escrow Release	\$0.00	\$97,500.00
Reserve Fund	<u>\$0.00</u>	<u>\$4,400.00</u>
Total Expenditures:	\$178,340.00	\$312,300.00

