

**Time/Place:** WM Clubhouse – 7:00 PM 11/9/2017

**Subject:** BOT/Finance Committee open 2018 proposed Budget Meeting – **Minutes**

**Present:** Joe Fischer, Lou DeLauro, Judith Quinn, Sandy Bing, Frank Colucci, Jerry Jeronowitz, WM community members

**Appendix “A”:** Joe Fischer’s outline of the meeting’s presentation

**Appendix “B”:** 2018 Proposed Budget **Draft**

Joe opened the meeting with introductions of the BOT members present, and Lou DeLauro representing the Finance Committee. He explained the meeting’s goals were to review the 2018 proposed WM budget in detail, and to solicit and address any questions or comments as they arose. A handout was provided for everyone in attendance that detailed the WM 2018 proposed budget draft. Joe emphasized that this draft is currently a work in progress, and will solidify over the next month.

Joe then went over how the budget process works; from reviewing financial documents to forecasting the financial requirements for the year, to the final board vote on the budget.

He then outlined our four fund groups, followed by detailed explanations of the makeup and purpose of each fund.

So as not to be redundant here, please reference the below Appendix of the text associated with Joe’s presentation. I will document here any deviations to that appendix outline, and any questions or comments noted from those in attendance.

Joe followed his outline discussing the four financial funds followed by a more detailed discussion of the 2018 Operating Budget itself. Again, see the below appendix.

Joe summarized his presentation in that although the proposed budget has a deficit of \$7590, it is still a work in progress and there definitely will be changes before it gets voted on and approved by the board.

Following a summary of the meeting, Joe again solicited any questions. It appeared that all questions were successfully addressed during the presentation. Joe thanked everyone for their participation and comments, and the meeting was adjourned.

During the presentation, the following questions/comments/discussions were offered:

- Dave Morris emphasized that the Capital Reserve Fund is for “replacement” of assets, not for new items (not an item being replaced for any given reason). New asset items should be funded from the CIF (Community Improvement Fund). Joe pointed out that what is in the Reserve Fund is based on a 2010 consultant supplied study of all major WM assets. The analysis includes a 30 year asset lifespan and replacement costs. That study is updated every 3 years, the latest being in 2016.
- Joe pointed out that the “Capital Contributions” budget line item is the sum of 4 new homeowner fees of \$690 per homeowner.
- Dave Morris made an assumption that we have not incurred any revenue from “Late Fees”. In fact, there was one late fee levied for \$25, and the vast majority of homeowners do pay their dues in a timely manner.
- Bill McGarry noted that since we moved funding from the 2017 CIF to avoid a dues increase (or special assessment), should we move funds back to the CIF if there is a surplus at the end of 2017. Joe mentioned that would be a BOT decision, but his suggestion certainly would be taken under consideration.
- Dave Morris asked if the CIF should be eliminated since it appears to be used as a slush fund (used to move funding around to avoid a deficit). Again, Joe, thanking Dave, pointed out that would be a

discussion for the BOT, but it would be good to have the fund as a reserve should the community come up with a great project in the future.

- Ez Druker noted he did not like the use of the term “slush fund”.
- Anne Vannozzi noted that last year’s use to address the deficit was a good idea.
- Joe pointed out that this year’s snow removal is still covered by the current BrightView contract (which will expire in the Spring). We have about \$21k remaining in this calendar year’s snow budget.
- Joe noted that we spent \$115k on snow in 2015 (a very high year). Our average over the past 3 years is around \$81,600. We had special assessments in 2011 & 2015 to cover excessive snow removal costs.
- Mike Swiatocha asked if a snow budget surplus automatically rolls over to the snow emergency (contingency) fund. Joe said it does not. The BOT decides how surplus funds are distributed.
- Joe mentioned that although there is much discussion of whether to budget snow for a worst-case snow year, or an average snowfall year, we continue to budget for the average.
- Lee Pisauro said in 1960 we had snow in this area that stayed on the ground from December to March. The point being that we should roll any snow fund surplus into the snow contingency fund.
- Carl Anderson asked if the snow contingency fund was capped. Answer was: no, it is not.
- Carl also asked if the snow contingency fund is restricted to snow use. Answer is: yes, it is.
- Joe stated the BOT should have an update on the grounds contract by the 11/20/17 BOT meeting.
- Under the line item “Enhancements”, Joe said we spent \$1600 on mum plantings this year, and \$1800 on irrigation repairs. We spend an average of \$7200/yr over the past 6 years on landscape enhancements.
- Greg Bancroft said we should not change the budget amount for the hazardous tree expense and the enhancements line item, as he has several upcoming projects in mind.
- Joe said we still have 5 trees in the common areas that will need to be addressed due to the Emerald Ash Borer.
- Dave Morris was concerned about ash trees in the wetlands area. The consensus was that we cannot disturb wetland trees.
- Joe noted that we spend a 6 year average of \$5700 on clubhouse maintenance/repairs.
- Joe mentioned that we use “Merry Maids” as our clubhouse janitorial vendor. They do our meeting setups at no extra charge. We average \$4200/yr for janitorial services.
- Joe said our 6 year average for electricity (PSE&G) was \$6600. We pay PSE&G in 2 separate bills each month. One for the clubhouse, and one for the parking lot lights.
- Our gas company is Elizabethtown Gas.
- Our water is supplied by Trenton Water, and sewer services are provided by Hopewell Township. We average about \$3374 over the past 4 years.
- Judith noted that the sewer bill is reduced by the reading of the irrigation water usage.
- Dave Morris and Cindy Smith discussed individual homeowner’s sewer bills as effected by their irrigation usage. Dave will check with the township if they are reading both meters, and report back to Judith or put a blurb in the newsletter.
- Judith noted that we cannot eliminate the clubhouse phone due to the pool.
- The pool contract is a 2 year term.
- Cindy Smith request the Social Committee budget be increased to \$4600.
- Ez Druker wanted to know if fees charged at social events go into the social committees funding. The answer was: yes, it does, over and above the budgeted amount.
- Joe mentioned that our this year and next year attorney fees may be high due to the pipeline situation.
- Judith said we not only received multiple insurance quotes from our agent, but we got quotes from multiple agents.
- There was a discussion on how we budget the payment for insurance premiums.
- Joe noted that the “Contingency” line item under the Administrative budget section is used as a hedge/emergency fund.
- Sandy Bing noted that although we will save some money by switching from our current trash removal vendor (Republic) to Waste Management, we will need to have the inconvenience of switching barrels. More information on this will be distributed.
- Joe mentioned that we averaged about \$3200/yr over the past 4 years for “Other” administrative expenses (envelopes, check fees, etc.)

- Sandy Bing said Paul Pogorzelski from Hopewell Township will be attending our 11/20 BOT meeting. He will be introducing his replacements as he will be retiring.
- Heidi Swayhoover said the RAC benches have never been serviced, and we should have them addressed/refreshed ?

Minutes submitted by: Jerry Jeronowitz

## **APPENDIX “A”**

2018 BUDGET MEETING

NOVEMBER 9, 2017

7:00PM

### **INTRODUCTION**

### **GOALS TONIGHT**

- EXPLAIN THE BUDGET PROCESS IN DETAIL
- PROVIDE BACKGROUND & OUTLINE HOW OUR VARIED BANK ACCOUNTS INTERRELATE WITH EACH OTHER
- REVIEW IN DETAIL & LINE BY LINE
  - OUR YTD FINANCIAL PERFORMANCE
  - THE 1<sup>ST</sup> DRAFT OF OUR FINANCIAL FORECAST TO YE
  - THE 1<sup>ST</sup> DRAFT OF OUR 2018 PROPOSED OPERATING BUDGET
- AND LASTLY, ANSWER QUESTIONS & RECEIVE HOMEOWNER AND COMMITTEE INPUT/SUGGESTIONS ON THE FORECAST & BUDGET
- I WILL TAKE THE LEAD WITH MOST OF THIS. MY HOPE IS TO MAKE IT ALL AS CLEAR AS I CAN TO YOU AND STILL GET US OUT OF HERE IN A REASONABLE AMOUNT OF TIME. IF YOU HAVE ANY QUESTIONS AS I AM GOING ALONG, PLEASE – STATE YOUR NAME SO JERRY CAN NOTE IT IN THE MINUTES -- & STOP ME TO ASK THEM.
- I PROMISE THAT EVERYONE WHO WISHES TO SPEAK WILL HAVE THAT OPPORTUNITY, BUT REQUEST THAT ALL SPEAKERS KEEP THINGS POSITIVE AND NOT INTERRUPT OTHERS WHEN THEY ARE SPEAKING.

### **HOW THE BUDGET PROCESS WORKS**

- WE PAY OUR BILLS AS WE RECEIVE THEM
- ROUGHLY 30-60 DAYS AFTER THE END OF EACH MONTH, JUDITH QUINN PREPARES FINANCIAL DOCUMENTS FOR THE BOARD.
- AS TREASURER, I REVIEW THEM IN DETAIL – AND WHEN I AM SATISFIED THAT THEY ARE ACCURATE – SUMMARY FINANCIAL DOCUMENTS ARE THEN POSTED ON THE WM WEB SITE.
- ON AN ONGOING BASIS, I ALSO SEPARATELY TRACK EVERY EXPENSE LINE TO MAKE SURE THAT WE DO NOT UNKNOWINGLY OVERSPEND OUR BUDGET AND I LOOK FOR ANOMALIES & TRENDS TO GUIDE OUR FUTURE SPENDING DECISIONS
- ALMOST 2 MONTHS AGO, JUDITH & I LOOKED AT WHERE WE ARE FINANCIALLY YTD – AND PREPARED A FINANCIAL FORECAST OF HOW WE THINK WE WILL FINISH THE YEAR. THIS WAS DONE IN LATE SEPTEMBER BASED ON OUR FINANCIAL RESULTS THROUGH THE END OF AUGUST.
- BASED ON THIS FORECAST, OUR SPENDING HISTORY AND KNOWN CHANGES COMING UP, WE THEN PREPARED A 1<sup>ST</sup> DRAFT OF A BUDGET FOR 2018.
- THAT PROPOSED FORECAST AND BUDGET WAS THEN MADE AVAILABLE TO THE ENTIRE COMMUNITY FOR COMMENTS AND SUGGESTIONS.
- I WILL NEXT MEET WITH THE FINANCE COMMITTEE LATER THIS MONTH TO CONSULT WITH THEM ON THEIR THOUGHTS & SUGGESTIONS AS TO HOW TO REVISE THE FORECAST AND BUDGET INTO A VERSION #2 DRAFT FOR CONSIDERATION BY THE BOARD.
- A NON-BINDING DISCUSSION ABOUT THE VERSION #2 BUDGET (WITH NO ACTUAL BOARD VOTE) WILL THEN TAKE PLACE AT THE BOARD’S DECEMBER WORK SESSION. AT THIS WORK SESSION, THE BOARD WILL DISCUSS AND FULLY CONSIDER MANY THINGS, SUCH AS ...
  - INPUT FROM TONIGHT’S MEETING

- THOUGHTS AND SUGGESTIONS PROVIDED TO US AFTER TONIGHT
- FINANCE COMMITTEE RECOMMENDATIONS
- UPDATED FINANCIAL STATEMENTS (PROBABLY THOUGH OCTOBER)
- ACTUAL SPENDING (FROM THE CHECK REGISTER) SINCE THE END OF OCTOBER
- CURRENT INFO ON CONTRACT RENEWAL NEGOTIATIONS (GROUNDS/SNOW)
- IMPACT OF 4<sup>TH</sup> QUARTER SNOW WE MIGHT RECEIVE
- AN UPDATED FORECAST
- ANYTHING ELSE THAT WE KNOW THAT'S RELEVANT
- A FINAL PROPOSED BUDGET WILL THEN BE PREPARED
- WITH A FINAL BOARD VOTE TO TAKE PLACE AT EITHER A SPECIAL DECEMBER BOARD MEETING (DATE TBD) OR AT THE REGULARLY SCHEDULED BOARD MEETING ON JANUARY 15, 2018.
- WHILE THE NEW BUDGET WILL TAKE EFFECT ON JANUARY 1<sup>ST</sup>, IF THERE IS AN INCREASE IN DUES NEXT YEAR, IT WILL BE EFFECTIVE WITH THE APRIL 1<sup>ST</sup> QUARTERLY PAYMENT -- WITH PAYMENT COUPONS TO BE MAILED TO ALL HOMEOWNERS WITH TIME TO PAY CONSISTENT WITH OUR BYLAWS

## **HOW ARE WE STRUCTURED?**

THERE ARE FOUR FUND GROUPS THAT THE ASSOCIATION USES TO GOVERN ITS FINANCIAL ACTIVITIES. THEY ARE:

- THE OPERATING FUND
- THE CAPITAL REPLACEMENT FUND (ALSO CALLED RESERVE FUND)
- THE DEFERRED MAINTENANCE FUND
- THE COMMUNITY IMPROVEMENT FUND

THEY ARE ALL INTER-RELATED WITH EACH OTHER AND SERVE A DIFFERENT PURPOSE

## **OPERATING FUND**

- ALL WM REVENUES AND SPENDING FLOWS THROUGH OUR OPERATING ACCOUNTS
- IN TOTAL THERE ARE REALLY 3 OPERATING ACCOUNTS
  - AN OPERATING CHECKING AC AT BERKSHIRE BANK (\$29,000 – \$100,000)
  - AN OPERATING MM ACCOUNT AT BERKSHIRE BANK (\$1000)
  - A SNOW CONTINGENCY ACCOUNT AT NORTHEFIELD BANK (\$33,000)
- THESE ARE THE ACCOUNTS THAT YOUR DUES GO INTO AND WE PAY OUR MONTHLY BILLS FROM.
- I WILL TALK ABOUT THESE ACCOUNTS WHEN WE DISCUSS OUR OPERATING BUDGET FOR 2018 IN DETAIL IN JUST A LITTLE WHILE

## **DEFERRED MAINTENANCE FUND**

- THIS FUND IS KEPT IN AN INTEREST BEARING AC – AT BERKSHIRE BANK
- IT HAD \$25,500 IN IT AT END OF SEPTEMBER
- THE DM FUND IS USED TO ACCUMULATE SUFFICIENT AMOUNTS WHICH WILL ALLOW THE ASSOCIATION TO HAVE NECESSARY RESOURCES TO PERFORM MAINTENANCE SERVICES TO COMMUNITY ASSETS WHICH OCCUR LESS FREQUENTLY THAN ANNUALLY.
  - THE KEYS HERE ARE
    - “MAINTENANCE”
    - “LESS FREQUENTLY THAN ANNUALLY”
    - “COMMUNITY ASSETS”
- WHAT WE HAVE IN THIS FUND IS BASED ON A PLAN THAT GOES OUT TO 2022. THIS PLAN WAS PREPARED A NUMBER OF YEARS AGO & I THINK IT IS FAIR TO SAY THAT IT IS A BEST GUESS OF OUR FUTURE MAINTENANCE NEEDS.
- IT IS NOT MEANT TO BE A MAINTENANCE PLAN THAT WE MUST SLAVISHLY FOLLOW, BUT RATHER A ESTIMATED PLAN THAT HELPS US HAVE ENOUGH MONEY TO PAY FOR THE MAINTENANCE THAT WE ULTIMATELY NEED. WE DO NOT PERFORM MAINTENANCE WHEN THE PLAN SAYS WE WILL DO IT, BUT RATHER WHEN THE BOARD DECIDES THAT IT IS NEEDED.

- IN PRIOR YEARS IT HAS PAID FOR THINGS SUCH AS:
  - POOL DECKING REPAIRS
  - VARIED POWER WASHING PROJECTS
  - PAINTING PROJECTS
  - PARKING LOT REPAIRS
  - BENCH REPAIRS, STAINING AND SEALING
- YTD IN 2017 WE HAVE USED THIS FUND TO PAY FOR:
  - ELECTRICAL GROUNDING REPAIRS TO THE POOL
  - SIDEWALK REPAIRS IN THE COMMON AREA OUTSIDE THE CH
  - THE RECENT CLEANING OF THE CH ROOF
- AMONG THE MAINTENANCE PROJECTS UNDER CONSIDERATION FOR NEXT YEAR ARE:
  - WORK ON THE CENTER ISLAND BENCHES
  - BOCCE COURT LEVELING
  - TENNIS COURT RESURFACING
  - SIDEWALK RAMP REPAIRS
  - EXERCISE EQUIPMENT REPAIRS
  - AND MORE
- A DECISION ON THESE AND POSSIBLY OTHER PROJECTS WILL BE MADE BY THE BOARD IN EARLY 2018
- THE 2017 BUDGET FOR THIS FUND IS \$5500 – MADE IN FOUR QUARTERLY PAYMENT OF \$1375.
- AS YOU CAN SEE FROM THE BUDGET SHEETS WE HAVE PROVIDED TO YOU, \$4125 HAS BEEN PAID TO DATE WITH THE Q4 PAYMENT TO BE MADE IN DECEMBER.
- THE PROPOSED 2018 BUDGET LEAVES THE DEFERRED MAINTENANCE BUDGET UNCHANGED @ \$5500.

### **CAPITAL RESERVE FUND**

- THIS FUND IS KEPT IN TWO INTEREST-BEARING AC'S
  - BERKSHIRE BANK
  - NORTHFIELD BANK
- THE CAPITAL RESERVE FUND (SOMETIMES CALLED THE RESERVE) IS USED TO ACCUMULATE SUFFICIENT AMOUNTS OF MONEY OVER THE LIVES OF CAPITAL ASSETS WHICH ARE PART OF THE COMMON ELEMENTS SO THAT AT THE TIME OF THEIR REPLACEMENT WE HAVE SUFFICIENT FUNDS AVAILABLE TO PAY FOR THEIR REPLACEMENTS W/O THE NEED FOR LARGE SPECIAL ASSESSMENTS ON HOMEOWNERS.
  - THE KEYS HERE ARE:
    - “REPLACEMENT”
    - “COMMON ELEMENTS”
    - “SUFFICIENT FUNDS AT THE TIME OF REPLACEMENT”
    - “NO SPECIAL ASSESSMENT”
- WHAT WE HAVE IN THIS FUND IS BASED ON A 2010 RESERVE STUDY DONE BY A CONSULTANT – UPDATED EVERY 3 YEARS – MOST RECENTLY IN 2016.
  - THIS IS A 30 YEAR ANALYSIS OF EACH APPLICABLE BUILDING & FACILITY COMPONENT
  - IT INCLUDES AN ESTIMATED REPLACEMENT COST & USEFUL LIFE FOR EACH ITEM
  - AND FINALLY, THE ANNUAL CONTRIBUTIONS THAT WOULD BE REQUIRED TO ENSURE THAT ALL MAJOR REPLACEMENT EXPENSES HAVE FUNDING AVAILABLE
  - AS A CAVEAT, THE COST OF REPLACEMENT MUST BE HIGH ENOUGH TO MAKE DIRECT REPLACEMENT FUNDING FROM THE OPERATING BUDGET FINANCIALLY UNSOUND – SO IT DOESN'T INCLUDE LITTLE, INEXPENSIVE THINGS
- AGAIN, THIS IS NOT MEANT TO BE A REPLACEMENT PLAN THAT WE MUST SLAVISHLY FOLLOW, BUT RATHER AN ESTIMATED PLAN THAT HELPS US HAVE ENOUGH MONEY TO PAY FOR THE CAPITAL REPLACEMENTS THAT WE ULTIMATELY NEED. WE DO NOT REPLACE ITEMS IN THE PLAN WHEN THE PLAN SAYS WE WILL DO IT, BUT RATHER WHEN THE BOARD DECIDES THAT IT IS NEEDED.
- THE RESERVE FUND HAD \$305,000 IN IT AT END OF SEPTEMBER – REPRESENTING 52% OF \$590,000 IN TOTAL REPLACEMENTS COSTS IN THE PLAN -- WHICH ASSUMES 2016 PRICING W/O AN ADJUSTMENT FOR INFLATION.
- IN PRIOR YEARS THE RESERVE HAS PAID FOR THINGS SUCH AS:
  - POOL AND CLUB HOUSE FURNITURE

- ENTERTAINMENT EQUIPMENT
- EXERCISE EQUIPMENT
- PANTRY APPLIANCES
- CH ENTRY KEYPADS
- IRRIGATION SYSTEM MODIFICATIONS
- A TENNIS COURT WIND SCREEN
- & MUCH MORE
- YTD IN 2017 WE HAVE PURCHASED NOTHING FROM THIS FUND
- AMONG THE CAPITAL REPLACEMENT PROJECTS UNDER CURRENT CONSIDERATION FOR NEXT YEAR ARE:
  - A NEW POOL THERMAL COVER
  - EXERCISE EQUIPMENT
- A DECISION ON THESE AND PROBABLY OTHER PROJECTS WILL BE MADE BY THE BOARD IN 2018
- THE 2017 BUDGET FOR THIS FUND IS \$34,797 – MADE IN FOUR QUARTERLY PAYMENT OF \$8699
- AS YOU CAN SEE FROM THE BUDGET SHEETS WE HAVE PROVIDED TO YOU, \$26,098 HAS BEEN PAID TO DATE WITH THE Q4 PAYMENT TO BE MADE IN DECEMBER.
- THE PROPOSED 2018 BUDGET LEAVES THE CAPITAL RESERVE BUDGET UNCHANGED @ \$34,797

### **COMMUNITY IMPROVEMENT FUND**

- THIS FUND IS KEPT IN AN INTEREST BEARING ACCOUNT AT THE BERKSHIRE BANK
- IT HAS \$8000 IN IT AT THE END OF SEPTEMBER
- THIS FUND – FIRST ESTABLISHED TO “SEGREGATE DEVELOPER (BEEZER) SETTLEMENT PROCEEDS AND RELATED TRANSACTIONAL EXPENSES” – CURRENTLY ALLOWS THE BOARD TO MAKE IMPROVEMENTS TO THE COMMUNITY.
  - THE KEY HERE IS THAT THIS IS FOR NEW THINGS – NOT MAINTENANCE OR REPLACEMENT ITEMS
- OUTSIDE OF SPENDING FOR THE ADDITION OF THE RECREATIONAL ATHLETIC COMPLEX (RAC), THERE HAS NEVER BEEN A CAPITAL IMPROVEMENT PLAN TO GOVERN THE SPENDING OF THESE FUNDS. RATHER, ALL SPENDING AND CONTRIBUTIONS TO THIS FUND HAVE BEEN AT THE DISCRETION OF THE BOARD.
- MOST RECENTLY, \$10,667 WAS USED FROM THIS FUND TO AVOID A DUES INCREASE IN THE 2017 BUDGET. YOU CAN SEE THAT ON THE PROPOSED 2018 BUDGET SHEET THAT I PROVIDED TO YOU.
- NO MONEY WAS BUDGETED TO BE ADDED TO THIS FUND IN 2017.
- THIS IS NOT CHANGED IN THE 2018 BUDGET

**2018 OPERATING BUDGET** – I WOULD NOW LIKE TO WALK YOU THROUGH EVERY LINE IN THE PROPOSED 2018 BUDGET WITH DETAILS AS NECESSARY – **AND I REMIND YOU THAT THIS IS VERY MUCH A WIP AND NONE OF THIS FINALIZED**

- **REVENUES**- GOING FROM TOP TO BOTTOM:
  - **FEES (DUES) – OPERATIONS** LEFT UNCHANGED FROM FORECAST AT \$277,103
  - **FEES (DUES) RESERVE** LEFT UNCHANGED -- \$34,797 – PASSES THRU TO THE BOTTOM OF THE PAGE
  - **FEES (DUES) DEFERRED MAINTENANCE** LEFT UNCHANGED -- \$5500 – PASSES THRU TO THE BOTTOM OF THE PAGE
  - **CAPITAL CONTRIBUTIONS** LEFT FROM FORECAST UNCHANGED (\$690 X 4) AT \$2760
  - **CLUBHOUSE RENTALS** (\$75 X 6) LEFT UNCHANGED FROM FORECAST AT \$450
  - **LATE FEES** LEFT UNCHANGED FROM FORECAST AT \$25
  - **INTEREST OPERATING ACCOUNTS** LEFT UNCHANGED FROM FORECAST AT \$105
  - **INTEREST RESERVE ACCOUNT** LEFT UNCHANGED FROM FORECAST AT \$900
  - **INTEREST DM** LEFT UNCHANGED FROM FORECAST AT \$35
  - **PRIOR YEAR SURPLUS** REDUCED TO \$12,709 TO REFLECT OUR CURRENT (2017) FORECAST.
  - **CIF CONTRIBUTION** ELIMINATED
  - **EXPENSES – GOING FROM TOP TO BOTTOM**
    - **GROUNDS**

- **SNOW** -- UNCHANGED @ \$82,400
  - **LANDSCAPE CONTRACT** – LEFT UNCHANGED @\$89,700
  - **LS REPLACEMENTS/ENHANCEMENTS** – LEFT UNCHANGED @ \$8500
  - **HAZARDOUS TREE MAINTENANCE** – LEFT UNCHANGED @ \$5000
- **CLUBHOUSE**
    - **MAINTENANCE/REPAIRS SUPPLIES** REDUCED TO \$5000
    - **JANITORIAL** INCREASED TO \$3925
    - **ELECTRIC** – LEFT UNCHANGED AT \$6200
    - **GAS** – LEFT UNCHANGED @ \$2400
    - **SEWER/WATER** REDUCED TO \$2500
    - **CABLE/TELEPHONE** INCREASED TO \$2400
    - **OTHER** REDUCED TO \$750
  - **RECREATION**
    - **POOL CONTRACT** INCREASED TO \$22,141
    - **SUPPLIES/FURNITURE/ADMIN** – LEFT UNCHANGED @ \$2,800

#### **ADMINISTRATIVE**

- **SOCIAL COMMITTEE** – LEFT UNCHANGED AT \$4250
- **LEGAL/AUDIT** – LEFT UNCHANGED AT \$7500
- **INSURANCE** DECREASED TO \$9371
- **CONTINGENCY** – LEFT UNCHANGED AT \$8,000
- **WASTE REMOVAL** REDUCED TO \$18,240
- **MANAGEMENT FEES** -- LEFT UNCHANGED AT \$16,900
- **OTHER/MISCELLANEOUS** – LEFT UNCHANGED AT \$3500

#### **SUMMARY (2018 PROPOSED BUDGET)**

**TOTAL REVENUES = \$334,384**

**DOWN BY \$12,269 MOSTLY DUE TO:**

**NO CIF CONTRIBUTION (\$10,667**

**LOWER PRIOR YEAR SURPLUS (\$914)**

**TOTAL (all in expenses) = \$341,974**

**DOWN BY \$4909**

**TOTAL DEFICIT = \$7590**

**DUES INCREASE (if unchanged) =  $7590/115/3 = \$22Q = \$7+/month$**

**REMINDER (of what I said earlier) – BEFORE THE BOARD VOTES ON A FINAL BUDGET, THIS WILL CHANGE SIGNIFICANTLY BASED ON A NUMBER OF THIS SUCH AS ...**

- INPUT FROM TONIGHT'S MEETING
- THOUGHTS AND SUGGESTIONS PROVIDED TO US AFTER TONIGHT
- FINANCE COMMITTEE RECOMMENDATIONS
- UPDATED FINANCIAL STATEMENTS (PROBABLY THROUGH OCTOBER)
- ACTUAL SPENDING (FROM THE CHECK REGISTER) SINCE THE END OF OCTOBER
- CURRENT INFO ON CONTRACT RENEWAL NEGOTIATIONS (GROUNDS/SNOW)
- IMPACT OF 4<sup>TH</sup> QUARTER SNOW WE MIGHT RECEIVE
- AN UPDATED FORECAST
- ANYTHING ELSE THAT WE KNOW THAT'S RELEVANT

**CLOSING**

**ADJOURNED**

# APPENDIX "B"

WELLINGTON MANOR HOMEOWNERS ASSOCIATION					
2018 BUDGET DRAFT					
	THRU AUGUST 2017		PROJECT TO DEC 2017	2017 BUDGET	2018 BUDGET DRAFT
	ITEMIZE	ACCUMULATE TOTALS			
<b>TOTAL REVENUE:</b>		\$ 243,608		\$ 322,363	
FEES - OPERATIONS	210,105		277,103		277,103
FEES - RESERVE	26,098		34,797		34,797
FEES - DEFERRED MAINTENANCE	4,125		5,500		5,500
CAPITAL CONTRIBUTION	2,070		2,760		2,760
CLUBHOUSE RENTAL	300		450		450
LATE FEES	25		25		25
INTEREST - OPERATIONS	105		105		105
INTEREST - RESERVE	754		900		900
INTEREST - DEFERRED	27		35		35
PRIOR YEAR OPERATING SURPLUS		13,623	13,623	13,623	12,709
CIF DISTRIBUTION		10,667	10,667	10,667	
<b>TOTAL REVENUE:</b>		\$ 267,898	\$ 345,965	\$ 346,653	\$ 334,384
<b>EXPENDITURES</b>					
<b>GROUNDS:</b>					
SNOW REMOVAL/ICE CONTROL		61,012	82,400	82,400	82,400
LANDSCAPE - CONTRACT		53,782	89,700	89,700	89,700
L/S - REPLACE/ENHANCEMENTS			8,500	8,500	8,500
HAZARDOUS TREE MAINTENANCE		1,402	4,612	5,000	5,000
OTHER:		1,779	1,780	-	
IRRIGATION REPAIRS	1,779				
<b>GROUNDS:</b>					
<b>TOTAL GROUNDS</b>	1,779	117,975	186,992	185,600	185,600
<b>CLUBHOUSE:</b>					
MAINT//REPAIRS/SUPPLIES/ EXERCIZE		1,406	3,500	5,500	5,000
CLUBHOUSE JANITORIAL		1,842	3,925	3,900	3,925
CLUBHOUSE ELECTRIC		3,493	5,700	6,200	6,200
CLUBHOUSE GAS		1,100	1,750	2,400	2,400
SEWER/WATER		1,066	2,132	5,000	2,500
CABLE/PHONE-COMCAST		1,575	2,362	2,100	2,400
KEYPAD/ SMALL FLAGS		320	440	1,500	750
<b>TOTAL CLUBHOUSE</b>	-	10,802	19,809	26,600	23,175
<b>RECREATION:</b>					
POOL CONTRACT		20,590	20,710	20,710	22,141
SUPPLIES/FURNITURE/ADMIN		1,759	2,800	2,800	2,800
<b>TOTAL RECREATION</b>		22,349	23,510	23,510	24,941
<b>ADMINISTRATIVE:</b>					
SOCIAL COMMITTEE		2,018	4,250	4,250	4,250
LEGAL/AUDIT:		5,870	7,600	7,500	7,500
LEGAL	4,770				
AUDIT	1,100				
INSURANCE ( WITH PREPAID)		10,794	9,410	9,530	9,371
CONTINGENCY				8,000	8,000
WASTE REMOVAL EXPENSE		15,729	20,988	20,996	18,240
MANAGEMENT FEES		11,267	16,900	16,900	16,900
ADMIN. SUPPLIES/OTHER EXP:		1,150	3,000	3,500	3,500
BANK CHARGES	47				
PRINTING/ PHOTOCOPY	232				
MAILINGS/ POSTAGE	607				
ADMINISTRATIVE SUPPLIES	189				
FIRE INSPECT FEE	75				
<b>TOTAL ADMINISTRATIVE</b>		46,828	62,148	70,676	67,761
<b>TOTAL OPERATING EXPENSES</b>		197,954	282,459	306,386	301,477
<b>NON-OPERATIONAL ITEMS</b>					
RESERVE ALLOCATION		26,098	34,797	34,797	34,797
DEFERRED MAINT ALLOCATION		4,125	5,500	5,500	5,500
OTHER NON-OPERATIONAL INTEREST		455	500	200	200
<b>TOTAL EXPENSE + ALLOCATION</b>		228,631	333,256	346,883	341,974
<b>SURPLUS/DEFICIT</b>			12,709	(280)	(7,590)