

LOON LAKE

# Adams Landing

CONDOMINIUMS

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## THE HELM

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## FINANCE COMMITTEE BUDGETING PROCESS

**Budget Components:** ALCA has two major components that make up our budget, Operational and Reserve. During the third quarter of every year, the Finance Committee will review the previous year's expenses using them as a guide when establishing a budget for the new year.

1. **Operational Budget:** established to pay our monthly expenses like water, electricity, lawn maintenance, snow removal and insurance. These expenses are funded by our HOA fees.
2. **Reserve Budget:** established to pay for major projects like the roofs, decks, roadways, pool, and the marina. These expenses are funded through our added Assessment. The Board is currently in the process of developing a repair and replacement schedule for our roofs in the same manor that they established a schedule for repair and replacement for our decks.

### Budget History

Three things happened in 2016 that had a dramatic effect on ALCA and the budgeting process:

1. We rewrote Our Bylaws and Master Deed to conform to current Michigan Condo Law
2. We changed Management companies and adopted new "cost centers" for our financial reporting
3. We rebuilt the brick wall along Dixie Highway

It quickly became apparent that refinements needed to be made for ALCA to adapt to these major changes:

1. We had to realign expenses to fit with our newly adopted "cost centers"
2. Responsibilities needed to be realigned as the Board expanded from 3 members to 5 members
3. A budget needed to be established for a new Major Project – the Dixie Hwy wall

While all these items needed to be addressed, the most important was to realign our expenses with the cost centers at our new management company – Metro Group Management. By realigning our expenses, the Board could begin projecting accurate budgets, which also allowed the Board to establish appropriate monthly HOA fees. It is on this foundation that the current Board can build for the future. Our 2020 HOA covered all operating expenses, allowing our additional Assessment to be used for upcoming major projects. Moving forward, the Board is committed to making the budget and the budgeting process as transparent as possible for all Adams Landing Co-Owners.