

Budget Workshop – September 12, 2019

Attendees:

Teresa Topping, Jody Matthews, Peter Schrempf, Jean Homan, Bryson Browning, Sue Brown
7 residents present

Note: These are not intended to be complete notes of the discussion, but rather to document the line items in the proposed budget that the board is considering changing.

Reserve items at zero remaining useful life – put off what can be safely put off without causing damage:

Can put off clubhouse renovation

Light poles – replacement can be put off

Spot repairs for wood and chain link fences, as opposed to replacing them (at time of replacement, evaluate different fencing options)

Spot repairs for pool tiling, as opposed to replacing the pool tiles

Have gutters/downspouts evaluated to see what has to be done now and put out what you can

Fire alarm panel replacement should be done in 2020.

45850 Reserve Budget – TMT proposed \$159,932.51 (TMT reduced the reserve amount to make up budget deficit, as opposed to continuing the full funding level recommended by Cedcore, the reserve company). Board decided to stay with proposed full reserve funding of \$180,000

52250 Insurance - \$75,000; TMT projected year end \$73,366, but proposed a budgeted amount of \$70,000. Board wants it set at \$75,000

Question: Need to determine whether year end projections for 52282 Insurance Claim Expense and 42950 Insurance Claim are accurate.

52450 Meeting Expenses – zero this out. Don't understand the reason for this category

52510 Miscellaneous/Contingency – new line item; not included in 2019 budget. No one understands what this is intended to address and this line item is not identified in the budget assumptions. Budgeted at \$2000. Contingency fund is 55100 and the Board would prefer to use that line item for contingency funds.

52575 Office expenses – set at \$5000 instead of \$4000 to allow for replacement of office computer

52630 Online Services – new category; no explanation in budget assumptions. TMT proposed budget at \$1000. Board wants it removed.

52700 Payroll Taxes & Benefits – question as to why the proposed budget is \$20,000. 20% of his \$50,000 salary would be \$10,000. Reduce this line item to \$10,000

52820 Rental Maintenance Expense – reduce to \$1000

52824 Rental Insurance – this does not have anything budgeted. State Farm insurance premiums are incorrectly coded as 52820 Rental Maintenance. The hazardous insurance needs to be budgeted at \$600. Want to clarify if this is the annual premium

52830 Reserve Study – increase to \$1200

52825 Property Taxes for rental unit; this GL code was omitted from the proposed budget. Should be budgeted

52920 Taxes is misidentified. Should be 52940 Taxes (as shown on the AP report).

55100 Contingency – budgeted at \$0. Budget at \$10,000

66410 General Maintenance – start at \$50,000

59300 Landscaping Contract – proposed budget includes an 8% increase. There has been no justification offered for why we can anticipate an 8% increase. Contact Pacific Landscaping about anticipated increase

*Bryson wants to review the scope of work in the landscaping contract to see if there is an opportunity for savings by changing the scope of work

59350 Landscape Contingency – proposed budget includes \$5000 for the goats and \$10,000 for beauty bark (done every other year to protect exposed roots and maintain existing landscaping). Both items are off the table due to need to address gully rehabilitation. Board proposes that someone watch exposed roots and spot treat as needed. Budget at \$15,000 and use the money for gully rehabilitation

66051 Backflow Testing – budgeted for \$400. No one knows what this is for and it doesn't show up on the AP report.

64100 Pool Repairs and Maintenance – need a complete accounting of this GL code for the year before we can set the budget for this line item

66330 Gutters – proposed budget is \$1500. We spent \$3500 for a single cleaning. Budgeted \$8000 to allow for two cleanings per year

66405 Mailbox Repairs – remove

66600 Pest Control – reduce from \$7500 to \$6000