

**NEW MARK COMMONS HOMES ASSOCIATION
BOARD OF DIRECTORS BUDGET WORKSESSION
Wednesday, October 18, 2017
New Mark Commons Clubhouse, 7:00 p.m.**

FINAL

Attendees

Board Members: Alex Belida, John Daroff, Alexandra Manolatos, Kathleen Moran, David Schwartzman. *Absent:* Ellen Stein, Magnus Turesson.

Abaris Management: Allan Cohen, Nick Hegedus.

Staff: Jim Denny; Kirsten Hall taking minutes.

NMC Residents: Joseph Jordon, Pat Reber, Ann Mason, Suzie Chi.

Call to Order

John Daroff called the meeting to order at 7:05 p.m.

Agenda: Preliminary Budget

No approval action necessary; the budget is the only item on the agenda.

Discussion will be offered after each section of the budget is presented.

Budget Expenditures as of 10-17-17

Note: Budget numbers below here are subject to change as more information is acquired.

A. Administrative

- a. Because NMC filed a claim with our insurer, USLI, for the stormwater management refunds, NMC can no longer use USLI and must find another insurer.
- b. Legal fees are expected for updating governing documents in the coming year.
- c. Website support costs are down due to volunteer support from David Schwartzman.
- d. Total projected increase in Administrative expenses: \$16,057.

Discussion: Legal fees seem high because 2017 expenses include \$17,000 paid for expenses incurred in 2016. The Board has benefited from pro bono legal help in earlier years.

B. Clubhouse and Tennis Courts

- a. Increase in utilities is due to increased use.
- b. Trash removal expense needs to be added to the budget, for Clubhouse rentals and pool use. Previously Jim Denny was carrying out the trash. A placeholder of \$1,000 was added for this budget item.
- c. Total increase to Clubhouse budget section is \$2,550.

Discussion: Clubhouse management for rentals and pool use needs to be determined; Jim Denny, Kirsten Hall, and Abaris will work out the roles and methods. Cleaning costs and a possible security camera were discussed; cleaning costs are expected to increase with facility use.

C. Pool

- a. New lifeguard staff may bring additional costs next year; NMC is still using American Pools but Abaris will provide references for some other pool management companies.
- b. Swim team is \$400 over budget due to bonuses; the team has promised to reimburse NMC for the amount over budget.
- c. Cost of water for the pool has gone up 20%. Upcoming concrete repairs will be included in capital expenses, not the pool budget.
- d. Total increase to Pool budget section is \$2,010.

Discussion: Next season will require working out pool management details with Abaris, with the intent to not impact the budget.

D. Lake

- a. Fountain and lights are main utility/electricity expense.
- b. Maintenance continues with Solitude Lake Management.
- c. Repairs and maintenance costs anticipated for fountain; \$500 projected will be increased to \$700 and upcoming repair costs will be determined.
- d. Total increase to Lake budget section is \$1400.

Discussion: Fountain repair and maintenance were not part of the reserve study and it will be necessary to begin setting aside funds for future repairs.

E. Maintenance

- a. Increases to contracted maintenance and repairs are due to trash collection costs, playground repairs, graffiti removal and other physical work that was formerly done by the Administrator.
- b. Lighting: Some parts need to be replaced and others to be kept in storage for use by Abaris maintenance staff; NMC may potentially transition to LED lighting.

- c. Tree removal expenses are expected to increase, along with landscaping projects related to erosion abatement projects, so landscaping costs projected to increase \$5000.
- d. Total increase to maintenance budget section is \$16,717.

Discussion: The Board is budgeting for unknown expenses in many maintenance areas.

F. Contingency Funds

- a. Abaris recommends a contingency fund of 5-10% of the budget. This is a new budget item for New Mark. Our current contingency fund does not yet meet that standard but will hopefully improve in the future.

Total Operating Expenses Budget for 2018 is 12.5% higher than the 2017 budget.

Discussion about income: Clubhouse rental fees and newsletter ad rates were discussed. The "Transfer fee" in the budget is the fee paid when a resident moves into the community due to a home sale/purchase. It hasn't applied to tenants but the Board discussed applying it to all new residents and charging either the tenant or the landlord. The name of the Transfer Fee may be changed to something more descriptive.

G. Capital Expenses based on reserve fund plan

- a. Lake dredging for 2021 was added to the reserve fund projection.
- b. Asphalt repairs will be done in phases.
- c. \$442,560 total for 2018 capital expenses.

Discussion: Options for not depleting the \$500,000 in reserves in 2018 include obtaining a line of credit and limiting expenses and moving some expenses to the future. The current reserve study will serve as a guide for planning. At the November Board meeting, tasks for Abaris will be identified. A placeholder budget item will be added to operating expenses to include a master landscaping and tree management plan.

Budget Income as of 10-17-17

- A. **Dues:** Total dues increases range from \$250.6 to \$266.24; roughly a \$23 per month increase per household.

Discussion: The need for clear communication about the results to expect from dues increases was emphasized, with the suggestion from Abaris to post a timeline of upcoming improvements correlated with dues increases. Parking lots and erosion issues will be top priorities in 2018.

Conclusions

- A. A link to the draft budget will be included with the October newsletter, to be published 10-21-17. A flyer will be posted to the clubhouse doors directing residents to contact David Schwartzman if paper copies of the budget are needed.

- B. A paper supplement will be sent to the community following the November 2 Board meeting with the budget is approved, in order to give 30 days notice to the community before the final vote on the budget is taken at the December 7 Board Meeting .

Adjournment

David Schwartzman moved to adjourn; seconded by Alex Manolatos; carried unanimously. Meeting adjourned at 9:30 p.m.