

**Tab 8**  
**2022 Budget Review**  
**August 24, 2021**

**ISSUE:**

Review of proposed 2022 Budget from the Finance Committee

**HIGHLIGHTS:**

- 5.1% increase in Expenses over 2021. 2022 Total Expenses projected - **\$2,348,946**
- No increase in assessments from 2021 to 2022
- Homeowners will have a \$3.76/year decrease due to trash contract. All others stay the same.
- Growth in capitalization fees over 2021 due to increased home sales
- Small increase in power boat fees
- \$35 increase in boat slip fees plus additional slips from the reconfiguration
- 25% increase in clubhouse rental fees
- Carryover of \$33K in undesignated funds
- Biggest question mark on the Expense side is the upcoming Gate and Patrol Contract. Combined with the Sheriff Patrol (which we are reducing just to July 3), we are still estimating a 17% increase over last year (approximately \$50K).

**RECOMMENDATION:**

On Tuesday, September 21, combine the Finance Committee meeting with a Special Board Meeting for a final review of the 2022 Budget.

**SPONSOR:** Ed Noble, Treasurer

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Δ Exp for no assessment increase

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## LHCC 2022 Budget Proposal --- General Fund

		2021	2022	
	<b>HYBRID ACCRUAL BASIS EXPENSES</b>	<i>Budget</i>	<b>BUDGET</b>	<b>Description</b>
<b>Income (Cash Basis)</b>				
<b>4000 · Assessment Revenue (Cash Basis)</b>				
	4022 · Assessments-Lots with Utilities	257,030.53	253,895.98	
	6917 · Projected Delinquents Utility Lots	(43,695.19)	(50,779.20)	
	4021 - Assessments-Lots w/homes	1,613,795.10	1,635,842.83	
	6916 - Projected delinq lots w/homes	(129,103.61)	(114,509.00)	
	4019 · Assmnts-Lots w/o Utilities Avlb	227,448.51	224,509.87	
	6919 · Projected Delinquents lots w/o util	(34,117.28)	(33,676.48)	
	<b>Total 4000 · Assessment Revenue</b>	<b>1,891,358.06</b>	<b>1,915,284.00</b>	
<b>4300 · Other Income</b>				
	4095 · Bad Debt Recovery	10,000.00	10,000.00	Collections on past due assessments
	4305 · Capitalization Fee	120,000.00	182,000.00	
	4310 · Interest Income			Interest income from accounts other than Replacement Reserve
	4315 · Activities Income			
	4320 · Late Fees	9,600.00	14,000.00	Late payment fees
	4325 · Legal Fee Recovery			Recovered legal expenses
	4330 · Newsletter and other Advertising	1,500.00	1,500.00	
	4335 · Disclosure Packages	9,000.00	11,000.00	
	4340 · Sale of LHCC Owned Lots			
	4345 · Boat Fees- Under 10 HP	1,250.00	1,500.00	Per LC, raise from \$50 to \$60
	4346 · Non-motorized vessels	2,015.00	3,500.00	
	4350 · Boat Fees - 10 HP & Over	40,200.00	52,800.00	Per LC, raise from \$150 to \$165
	4355 · Boat Slip Rental	50,285.00	62,400.00	Raise from \$565 to \$600. New slips added from reconfiguration
	4360 · Canoe Slip Rental	1,725.00	1,700.00	
	4365 · Miscellaneous Income	1,000.00	2,500.00	Averaging \$2.1K 2018-2020
	4368 · Other Member Fees	3,000.00	12,000.00	
	4385 · Fitness Center Fees			
	4390 · Clubhouse Rental Fees	5,000.00	20,000.00	Should go back to normal post-Covid +25% increase from \$50 to \$65/hr; \$200 to \$250 1/2 day; \$400 to \$500 full day
	4395 · Boat/Trailer Storage	16,700.00	20,450.00	\$19K in 2020
	4396 · Auto Tags	4,500.00	6,000.00	Averaging \$6.3K 2018-2020. Estimating \$6.6K in 2021
	43xx - Prior Year Retained Earnings	66,706.00	32,312.00	
	<b>Total 4300 · Other Income</b>	<b>342,481.00</b>	<b>433,662.00</b>	
<b>Total Income (Cash Basis)</b>		<b>2,233,839.06</b>	<b>2,348,946.00</b>	

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Δ Exp for no assessment increase \$ 0

## LHCC 2022 Budget Proposal --- General Fund

		2021	2022	
	<b>HYBRID ACCRUAL BASIS EXPENSES</b>	<b>Budget</b>	<b>BUDGET</b>	<b>Description</b>
<b>Expense</b>				
	<b>5000 · Administrative Expenses</b>			
5010	5010 · Office Supplies	4,500.00	6,000.00	Trending upward last 2 years
5015	5015 · Office Equipment	4,000.00	6,500.00	2 computers to be replaced. Not enough \$\$ for RR
5020	5020 · Postage	6,000.00	26,000.00	Increase certified mailings (Compliance). Postage prices increasing.
5025	5025 · Printing / Copying	12,000.00	12,000.00	
5030	5030 · Bank Charges	500.00	500.00	
5035	5035 · Miscellaneous	3,000.00	3,000.00	
5040	5040 · Advertising		200.00	Newspaper help wanted ads
5045	5045 · Legal Fees - General Counsel	15,000.00	15,000.00	Contract review, POA interpretation, lawsuits
5005	5005 · Legal Fees - Collections	3,000.00	3,000.00	All expenses related to in-house collection efforts (less LH labor cost).
5055	5055 · Insurance	105,000.00	115,000.00	Due to new "covid" rates and policies.
5060	5060 · Board & Meeting Expenses	500.00	500.00	
5095	5095 · Allowance for Insurance Deductible	2,500.00	2,500.00	covers deductible for 1 claim
	<b>Total 5000 · Administrative Expenses</b>	<b>156,000.00</b>	<b>190,200.00</b>	
	<b>5100 · Personnel</b>			
5105	5105 · Administrative Salaries	262,000.00	294,000.00	Salary increases and overtime adjustments
5110	5110 · Maintenance Salaries	223,000.00	232,000.00	Salary increases and overtime adjustments
5125	5125 · Bonuses	12,000.00	12,000.00	
5135	5135 · Federal Unemployment	504.00	600.00	
5140	5140 · State Unemployment	105.60	150.00	
5145	5145 · FICA	38,020.00	36,800.00	
5150	5150 · Medical / Health Benefits	56,000.00	60,000.00	Insurance cost increases
5155	5155 · Training / Misc. Expenses	2,500.00	2,000.00	
5160	5160 · Pension (401k)	12,000.00	15,000.00	
	<b>Total 5100 · Personnel</b>	<b>606,129.60</b>	<b>652,550.00</b>	
	<b>5200 · Taxes &amp; Licenses</b>			
5210	5210 · Permits / Licenses	6,000	6,000.00	Includes Qbooks annual license renewal (\$4K)
5220	5220 · Real Estate Taxes	4,753	-	2 non-util, 1 util, Golf Course, converted to Common Area
	5230 - Sanitary District Taxes	2,826	-	2 non-util, 1 util, Golf Course, converted to Common Area
5240	5240 · Personal Property Taxes	6,500	5,000.00	
5201	5201 · Income Taxes			rental fees etc are taxable but tax due based on overall tax picture
5250	5250 · POAA Recovery Fund	1,150	1,150.00	based on assessment revenue end of each year
	<b>Total 5200 · Taxes &amp; Licenses</b>	<b>21,229.46</b>	<b>12,150.00</b>	
	<b>5800 · Committee Expenses</b>			
5810	5810 · Activities	8,000.00	18,000.00	Increase to include one-time 50th Anny of Lake
5820	Welcoming		2,000.00	Return of Welcoming Committee (Activities)
	<b>Total 5800 · Committee Expenses</b>	<b>8,000.00</b>	<b>20,000.00</b>	
	<b>5900 · Utilities</b>			

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		2021	2022	
	<b>HYBRID ACCRUAL BASIS EXPENSES</b>	<b>Budget</b>	<b>BUDGET</b>	<b>Description</b>
5910	5910 · Telephone	11,700	12,500.00	Based on current actuals
5920	5920 · Water / Sewer	13,000	15,000.00	Based on current actuals
5930	5930 · Electricity	40,000	40,000.00	Based on current actuals
5940	5940 · Heating	3,000	3,000.00	Maintenance facility. Varies on cold weather use.
5950	5950 · Internet Service	7,000	11,000.00	Based on current actuals
	<b>Total 5900 · Utilities</b>	<b>74,700.00</b>	<b>81,500.00</b>	
	<b>6000 · Annual Contracts</b>			
6010	6010 · Elevator Annual Inspection	1,075.00	1,075.00	
6015	6015 · Elevator Maintenance Contract	1,500.00	1,500.00	
#	6018 - Dam Certification			
#	6019 - Landscaping Contract			
6020	6020 · Audit / Tax Return Preparation	14,000.00	14,000.00	
6025	6025 · Financial Management Fees	74,000.00	74,000.00	
6030	6030 · Trash Removal Contract	125,000.00	125,000.00	
6035	6035 · Exterminating Contract	1,800.00	1,800.00	
6040	6040 · Gate Contract	217,000.00	269,000.00	New contract for 2022
6045	6045 · Patrol Services	41,500.00	52,000.00	New contract for 2022
	Foot Patrol		11,000.00	New contract for 2022
	6055 - Website hosting	500.00	750.00	Slight price increase vs 2021
	xxx - Lake Culture & Testing	50,000.00	50,000.00	New contract for 2022
6050	6050 · Lake Patrol	9,000.00	11,000.00	New contract for 2022
	NALMS Membership	750.00	-	Eliminate in lieu of artificial habitat request
	Sheriff Patrol	26,000.00	1,000.00	Safety Adv Cmte request -- July 3
	<b>Total 6000 · Annual Contracts</b>	<b>562,125.00</b>	<b>612,125.00</b>	
	<b>6100 · As Needed Contracts &amp; Services</b>			
6120	6120 · Election Official	1,800.00	1,800.00	
6125	6125 - Janitorial Services	15,000.00	18,000.00	
6130	6130 - Computer Services	14,000.00	14,000.00	
6145	6145 · Dam Maintenance	5,000.00	5,000.00	
6150	6150 · Boat Repairs	750.00	1,500.00	Now 2 boats
6165	6165 · Building Repairs	10,000.00	10,000.00	
	6178 · Road Repairs & Improvements	30,000.00	30,000.00	
	6180 · Fourth of July Fireworks	7,500.00	7,500.00	
	6183 · Capsure	18,000.00	18,000.00	
	electronic equipment repairs	7,000.00	7,000.00	includes camera repairs, gate repairs, fob repairs etc
	tree removal	10,000.00	20,000.00	
	Office 365	11,500.00	11,500.00	
	Digitize Records		6,000.00	
	Replacement Reserve Study Update		7,200.00	Increase to 7200
	<b>Total 6100 · As Needed Contracts &amp; Services</b>	<b>143,550.00</b>	<b>157,500.00</b>	
	<b>6200 · Material &amp; Supplies</b>			

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		2021	2022	
	<b>HYBRID ACCRUAL BASIS EXPENSES</b>	<b>Budget</b>	<b>BUDGET</b>	<b>Description</b>
6210	6210 · Snow Removal	20,000	20,000.00	Expenses related to materials for snow and ice removal such as gravel, magnesium chloride and ice melt.
	6212 · Building Supplies & Repairs	4,000	4,000.00	Expenses related to materials for building repairs-Admin office, Clubhouse, Guard house, Maint Facility, and Mail Stations.
	6213 · Landscape Supplies	20,000	20,000.00	historically over budget and added to multiple GL's-does not include improvements to Beach 3
6215	6215 · Miscellaneous Supplies	4,000	4,000.00	
	6218 · Road Repair & Improv Supplies	15,000	15,000.00	Materials for road repair and improvement-gravel, patch fill, etc.
6220	6220 · Equipment Rental	15,000	15,000.00	Expenses related to lease of cherry picker, grader, lift, etc.
6225	6225 · Tools & Equipment	2,500	7,000.00	Includes recommended purchase of grader blade @ \$4500
	6227 · Equipment Maintenance & Repairs	15,000	15,000.00	Parts for internal equipment repair and maintenance.
6230	6230 · Janitorial Supplies	3,500	3,500.00	
6235	6235 · Boat & Vehicle Decals-Rgstrtn	1,500	2,000.00	Increased volume of use
6245	6245 · Ground & Road Supplies	4,000	4,000.00	Expenses related to plant material replacement, grass seed, mulch not for landscaping and shoulder stone for roadways.
6250	6250 · Signs	2,500	3,000.00	does not include any additional signage
6255	6255 · Vehicle & Equipment Fuel	16,000	18,000.00	vehicle fuel costs for Haines patrol vehicle, patrol boat, maintenance vehicles, and other Assn owned vehicles & equipment.
	6257 · Vehicle Maintenance & Repairs	8,000	8,000.00	Parts for in-house repairs and maintenance of Assn owned vehicles.
6265	6265 · Lake & Marina	7,000	7,000.00	includes incremental buoy replacement & dock repair materials
6270	6270 · Uniforms	3,000	1,500.00	Uniform contract ended January 2021
6275	6275 · Portable Toilets	3,750.00	4,650.00	+1 for CC Park
	B&G Picnic Tables		4,800.00	8 foot ADA picnic tables (2 tables)
	B&G Country Club/Dog Park Landscaping		10,000.00	Screening evergreens and shrubs
	B&G Sanitary Dog Stations		1,000.00	Along walking trails at CC Park
	Lake Artificial Habitat		375.00	Sinking brush piles, Christmas trees...
	Lake Gill Nets		1,000.00	Reduce grass carp in the lake
	Safety Traffic Logic Cloud Storage (Speed Camera)		1,000.00	
	<b>Total 6200 · Material &amp; Supplies</b>	<b>156,550.00</b>	<b>169,825.00</b>	
	<b>7050 -Long Term Capital Assets (Capital Improvement Fund)</b>			
	Tot Lot Swings - CC Park		4,000.00	2 yrs
	Benches - CC Park		2,500.00	2 yrs
	Outdoor Fitness Equipment CC Park		6,000.00	2 yrs
	CC Park Playground		8,750.00	4 yrs
	CC Park Pavilion		7,500.00	4 yrs
	Beach II Enhancements & Erosion		10,000.00	
	Beach II Campsites & Parking		-	
	Beach II Pavilion		5,000.00	
	Beach II Bath rooms		10,000.00	
	Beach III Repair & Sand		10,000.00	
	Additional Marina Slips (8 new slips)		10,000.00	
	Walking Trails		27,000.00	

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LHCC 2022 Budget Proposal --- General Fund

		2021	2022	
	<u>HYBRID ACCRUAL BASIS EXPENSES</u>	<i>Budget</i>	<b>BUDGET</b>	Description
	<b>7050 -Total Long Term Capital Assets (CIP)</b>	128,800.00	100,750.00	
	<b>6900 - Other Expenses</b>		-	
	<b>Total General Fund Expenses</b>	1,857,084.06	1,996,600.00	
	<b>6930 - Clubhouse Loan Repayment</b>			
	Debt Service Golf Course - Interest	2,293.00	-	
<b>6930</b>	Debt Service Golf Course - Principal	36,353.00	-	
		38,646.00	-	
	<b>Transfers to Reserves (Use of Funds)</b>			
	Replacement Reserve Contributions	338,109.00	352,346.00	
	<b>Total Transfers to Reserve/Loan Repayment</b>	376,755.00	352,346.00	
	<b>General Fund - Total Expenses</b>	2,233,839.06	2,348,946.00	
	<b>General Fund - Net Income (Loss)</b>	(0.00)	-	

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Assessments	Assm't	2022		Prior Year (2021)			Δ	% Δ
		Trash	Total	Assm't	Trash	Total		
SF	\$ 1,567.26	\$ 140.30	\$ 1,707.56	\$ 1,567.26	\$ 144.08	\$ 1,711.34	\$ (3.78)	-0.2%
Utility	\$ 1,567.26		\$ 1,567.26	\$ 1,567.26		\$ 1,567.26	\$ (0.00)	0.0%
Non-Utility	\$ 587.72		\$ 587.72	\$ 587.72		\$ 587.72	\$ (0.00)	0.0%