

Murray Lane Properties Common Facilities Association, Inc.



Annual Meeting
Thursday, February 21, 2019
Brentwood Library

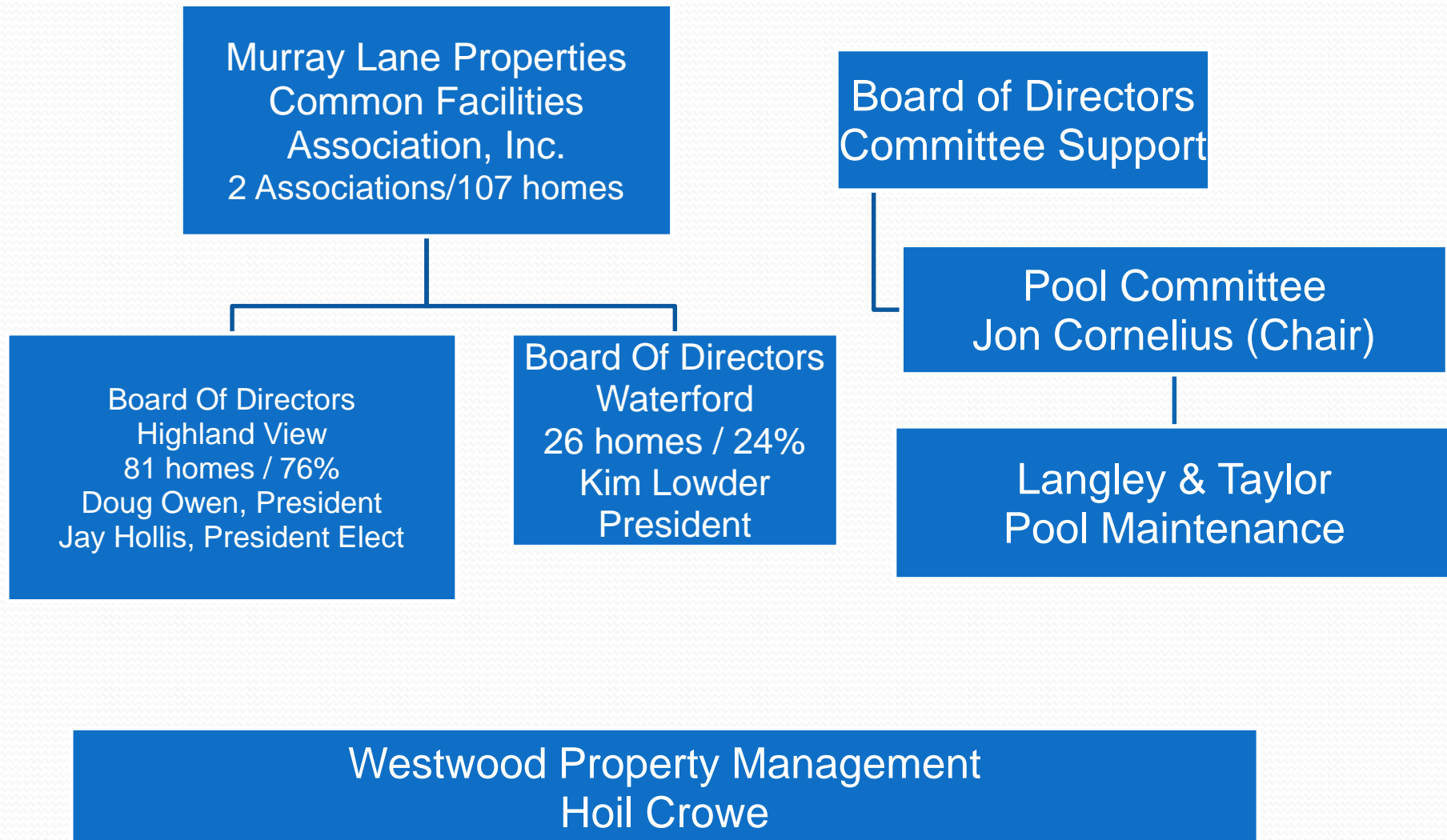
Agenda

- Introductions
- Approval of minutes (2018)
- Committee Reports
- Financial Report
- New Business
- Adjournment

Quorum and Minutes

- Ronnie Martin, Secretary
- Affirmation of quorum by Hoil Crowe
- Call for corrections to minutes from Feb 2018
- Motion and second to approve existing or amended minutes

Organizational Structure



2018 Pool Committee

The goal of the committee is to ensure the pool and pool pavilion meet the expectations of residents of Highland View and Waterford as a key amenity for the enjoyment of all residents. The pool committee oversees a budget of approximately \$ 20K (not including capital expenses).

Jon Cornelius (Chair)
Deanna Cornelius
Jenny Hyams
Jamie Reardon
Patty Shultz
Mike Umphres

Pool Committee Report

2018 Year in review:

- No major purchases or expenses this year.
- \$4.3k in repair costs for a water leak under the deck, replacement of the deep end light fixture and a few valve repairs.

Looking forward to 2019:

- As a pool committee, there have been several ideas suggested to improve the appearance of the pool. Some were in the board survey and some are smaller detail items.
- 2019 priorities include:
 - Bathroom upgrades
 - Fence work
 - Pool entrance gate
 - Video surveillance
- Other Ideas/input welcome.



Financial Report

- Review of 2018 results
- Budget for 2019
- Reserve Modeling

Financial Report

(Cash Basis Accounting)

2018 Budget

2018 Actual

2018 Notes

Total Income	40,550	37,174	Budgeted income was high due to incorrect assumption of homes.
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Expense

Administrative Expenses	4,503	6,384	Postage and storage increased expenses
Grounds Expenses	3,745	2,681	Only 10 months of 85/15 HV/ML split. No trail expense.
Pool Expenses	18,335	20,260	Greater maintenance expense with leak
Social Expense	525	605	
Total Expense	<u>27,108</u>	<u>29,930</u>	

Net Operating Income	13,442	7,244
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Reserve Items

Brickwork and Power Wi	5,000
Pool Fence Work	2,000
Pool Bathroom Renovation	
Pool Other Upgrades	

Reserve Items	<u>7,000</u>	<u>-</u>
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Total Investment Income	<u>-</u>	<u>591</u>
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Net Income	<u>6,442</u>	<u>7,835</u>
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2019 Budget

(Cash Basis Accounting)

	2018 Actual	2019 Budget	2019 Notes
Total Income	37,174	32,100	107 homes @ \$75/quarter (\$10 reduction in dues)
Expense			
Administrative Expenses	6,384	6,231	
Grounds Expenses	2,681	4,562	15% share of landscape weeding expense from HV
Pool Expenses	20,260	18,835	Normalized for historic maintenance expense
Social Expense	605	650	
Total Expense	29,930	30,278	
Net Operating Income	7,244	1,822	
Reserve Items			
Pool Fence Work		2,000	
Pool Bathroom Renovation		7,500	
Pool Other Upgrades		3,000	Video surveillance, gate work
Reserve Items	-	12,500	
Total Investment Income	591	-	
Net Income	7,835	(10,678)	

Reserve Modeling

- Reserves are balances held in order to pay for large capital expenses both planned and unforeseen
- Planned means on a expected cycle based on expected life of physical asset or equipment (resurfacing of pool deck, replacement of recirculating pumps, etc.)
- Based on engineering study: 1996 (GEC) and formal financial analysis: 2011 (McLaughlin and Crucini)

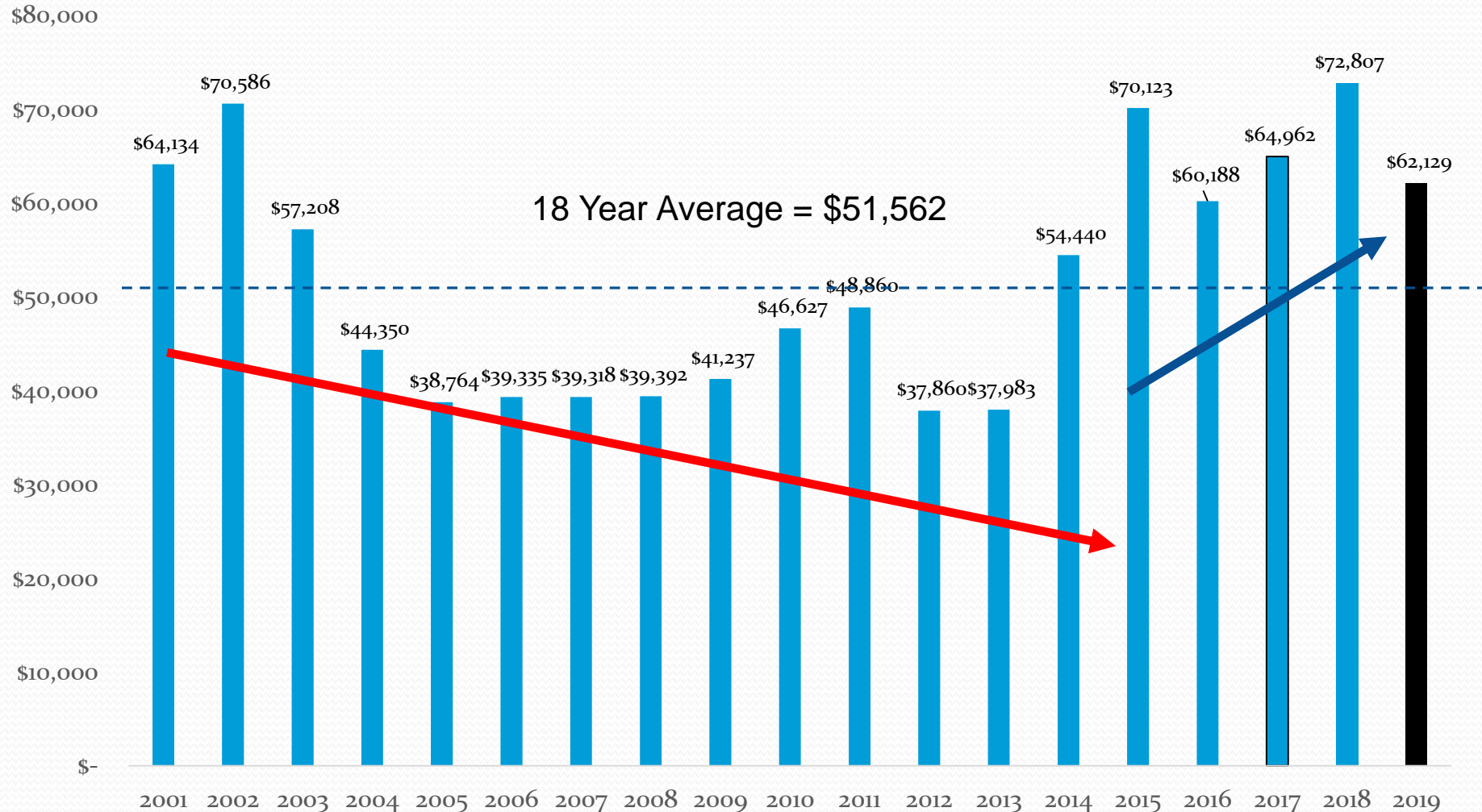
Reserve growth: Too Fast, Too Slow, Just Right?

- Net income adds to reserves while capital expenditure depletes them; striking a balance requires adjustments from time-to-time
- Reserves have been growing too quickly since 2014 after the Grounds budget at pool was reallocated 100% to Highland View.
- In 2017 the pool grounds allocation was reallocated back to 85/15% split between HV and ML. A dues **reduction** in 2017 from \$93.75 to \$85.00 per quarter was also enacted to offset a dues increase at HV.

Reserve growth: Too Fast, Too Slow, Just Right?

- Recommending same 85/15% split in Weed Control expense for pool area with HV.
- Recommending \$10 per quarter dues **reduction** to \$75 per quarter to offset HV dues increase.

Historical and Projected Murray Lane Reserve Balances



Forecast Reserve Balance

- With reduction in dues and investment in 2019, reserves will return to 2017/2016 levels and remain relatively steady based on the following assumptions.

YE 2018 Reserves	72,807
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2019 Budget Operating Cash Flow	1,822
Less: Reserves	<u>(12,500)</u>
2019 Ending Reserves	62,129

20% above 18
year average
balance

2020 Budget Operating Cash Flow	1,822
Less: Other Reserves	<u>(2,000)</u> -No bathroom renovation
2020 Ending Reserves	61,951

2021 Budget Cash Flow	1,822 - same as 2020
Less: Other Reserves	<u>(2,000)</u>
2021 Ending Reserves	61,772



Adjourn