

Hanson's Landing 2014 Budget Committee Meeting

Monday October 7, 2013

In attendance: Committee members: John Whitescarver (chairman), Barbara Kidd, Rob Brown and Scott Drew. Others attending were Jim LeFevre and Bob Perkowski. The meeting was properly noticed to the owners. The Meeting began at 1:00 PM, EDT.

Opening Comments:

John Whitescarver discussed the budget process and asked that the draft budget be reviewed and commented on by the next budget committee meeting on October 24th at 5 pm in the pool house. John asked everyone to share any information they had for the benefit of the new members.

Bob Perkowski offered to go over each budget item line by line for the new members. Everyone was told to ask questions and then digest the information over the next two weeks before the budget committee meeting on October 24, 2013.

Barbara Kidd asked that everyone get familiar with the budget items so that figures can be finalized.

Rob Brown commented that he was interested in understanding the topics.

Scott Drew commented that he has spent some time reviewing the budget in detail

Review of expenses by Bob Perkowski

1. Administrative expenses – some comments include that the management fee will stay the same. Legal fees are close to budget each year. There is no price increase for the accounting (audit). Insurance costs are currently over budget but will work itself out by end of year. There are no taxes because no interest was earned.
2. Utilities - nothing new, except the cable is increasing since high definition (HD) service was added. John and Bob will look at this and decide on a number before the next meeting. The Miles Grant fee was explained.
3. Building expenses - Buildings line is a guess based on repairs to roof, stairs, concrete, etc. The fire alarm system was explained.
4. Ground expenses - items included in Sunshine contract were discussed. Most items are built into that contract. Tree trimming cost was discussed as was the option to do mulch every other year by residents instead of paying Sunshine.

5. Recreational maintenance - pool and propane cost discussed. Cost for pool maintenance should remain the same for next year.
6. Contracts - trash costs will remain the same but expect a 4% increase. Termite and rodent control will be handled on an as needed basis.
7. Contingency - Reserves are for items over \$10,000. Items not included are the tennis courts and drainage. Bob thought that Reserve fund should be increased.

Comments on Expenses

Scott Drew commented that he agrees the Reserve fund should be increased and that there should be a written document about pooled reserves.

Bob Perkowski asked each person to look at the proposed budget numbers for 2014 and comment. Bob also suggested the building fund and irrigation costs need to be discussed further.

Jim LeFevre commented on the irrigation costs, saying that a pump recently had to be replaced which accounts for a rise in the irrigation costs for this year. Jim also mentioned that they are looking at two other proposals for Ground Maintenance. Another proposal is about half what Sunshine is currently charging.

Bob Perkowski mentioned to keep in mind that when switching companies (i.e. ground maintenance) there is a lot of time involved to go over what you need done with the new company and they may not do as well of a job as the current company (Sunshine).

Closing Comments

John Whitescarver mentioned two things to consider for next meeting. 1) Pool repairs and 2) process for calculating reserves.

Bob said that the board must tell Barbara Shea how much they want for Reserves next year so she can run the spreadsheet.

Jim LeFevre discussed a replacement cost investigation done by GAB Robbins for the Reserves.

Scott Drew commented that everyone should be prepared to make recommendations for changes to replacement costs and that they need to rethink the pool costs as well as capital improvement costs.

Jim LeFevre discussed timing of next meeting and that the budget must be approved by December 10, 2013. He also commented that the October 24, 2013 meeting must be posted and emailed to everyone.

Meeting ended at 2:17 PM, EDT