

Minutes of the Budget Meeting of the Board of Directors  
of the Lee's Crossing Homes Association, Inc.  
October 28, 2021

Directors Participating: John Branham, Matt Burnham, Laura Fenton, Angela Ford, and Phil Karp. A quorum being present, the meeting was called to order at 7:30 by Phil Karp.

Walt Walker, as Assistant Secretary, agreed to take the minutes in the absence of Jordan Lawson.

The purpose of this meeting was to discuss various contracts for the upcoming 2022 year and to develop a 5 year budget to be presented for owner consideration in the November newsletter.

Angela Ford reported that she and Walt Walker, as in years past, had developed a spreadsheet with the projected end of year financial statement for 2021 and a proposed budget for the next five years from 2022 to 2026. This spreadsheet had been distributed to each of the directors the morning of the 28<sup>th</sup> and Phil had asked each director to review the spreadsheet prior to the meeting.

The projections for the year ending December 31, 2021 are income from operations \$15,943, final reserves \$51,150 and a loan balance of \$42,000.

The proposed budget for 2022 includes an assessment of \$410 (an increase of \$15), an increase from operations of \$21,234, total capital expenditures of \$17,400, final reserves of \$44,984 and a final loan balance of \$32,000. Capital expenditures included \$8,000 for playground repairs and improvements, \$1,500 for kitchen appliance replacements, \$1,000 for a new lane rope reel, \$1,000 for a security camera installation, and \$5,900 for other miscellaneous items. Walt Walker reported that American Pool was offering a contract for 2022 that allowed our budget for pool management to remain unchanged from 2021. Walt also reported that the 2022 landscaping proposal from Gibbs remained the same, except for an increase in the price of pine straw. Walt noted that the Board of Lights and Water had announced a 2.5% increase in water prices and power costs were expected to increase 5%. Angela noted that the Association has a fixed price natural gas contract through 2022.

Walt also noted that the Board had requested an increase in our liability coverage from the current \$1 million to \$3 million. The cost of this increase was to be approximately \$1,000 and was included in the proposed budget. This increase in insurance was approved unanimously by the directors and Walt Walker will arrange.

The Directors discussed coating the pool deck with a product designed to reduce the temperature of the deck surface and also a possible expansion of the two pavilions. The former was thought to cost between \$5 and \$6 per square foot of deck space. If the entire 10,000 square feet of deck were coated, the cost would run \$50,000 to \$60,000. The cost of expanding the pavilions was thought to be at least \$15,000 each. Phil Karp and Matt

Burnham noted these items were “wishes rather than needs”, and the Directors decided not to include these items in the proposed budget.

Phil Karp noted that we are leaving the annual leasing management fee at \$900 and asked that Erroll Eckford (as our leasing manager) prepare a report for the Board in the near future.

Matt Burnham noted that savings may be had by discontinuing our current cable service at the clubhouse and instead subscribing to a streaming service. Matt agreed to investigate.

The Board discussed at length the proposed assessment of \$410 per home for 2022 and noted that inflationary pressures will likely dictate increases in subsequent years. John Branham advocated increasing the 2022 assessment to \$425. The other directors believed said amount was unwarranted and upon motion and vote, approved the proposed 2022 budget with a \$410 assessment. The Board also agreed that \$415 would likely be needed for 2023 and \$425 would likely be needed for years thereafter. Walt and Angela noted that the budget numbers for years 2023 to 2026 do not bind future Boards.

Angela will cause the 5 year proposed budget to be published in the November newsletter for consideration of the homeowners. Following input from homeowners, the final budget will be voted upon in the December meeting.

The Board directed Walt Walker to have the pool contract to be executed as soon as possible.

Adjournment:

There being no further items, the meeting was adjourned.

Walt Walker, Assistant Secretary.