The Landings Association’s Budget Process and Budget Overview
TLA Finance Department

- Assistant GM/CAO (Karl Stephens)
  - Controller (Jessica Henderson)
  - Director of Budget, Planning & Analysis (Dianne Talcott)
    - Accounting Specialist (Amanda Peetoom)
    - Accounting Specialist (Debbie Waterlander)
Agenda - Budget Process

- The Landings
- Annual Assessment
- Operating Fund and Capital Reserves Fund
- Financial Planning for our Future
- Development of Budget Line Items
- Budget Review and Approval
The Landings: A Brief History

First Developed in 1972 by the Branigar Organization

Most Infrastructure (Storm Drains and Roads) is original
The Landings at a Glance

- 8,500+ residents, 4,420 Lots, 4,123 Homes
- Total of 4,755 Acres
- 715 Acres of Common Property (574 in turf, 4 in athletic fields, 22 at gates, and 115 in forest)
- 313 Center Islands/Medians
- 151 Lagoons (269 acres), 54 control structures
## The Landings at a Glance

<table>
<thead>
<tr>
<th>Feature</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>91 Miles</td>
</tr>
<tr>
<td>Storm Drains</td>
<td>47 miles</td>
</tr>
<tr>
<td>Community Paths/Trails</td>
<td>30 Miles (22 paved)</td>
</tr>
<tr>
<td>Bridges</td>
<td>11 Bridges</td>
</tr>
<tr>
<td>Buildings</td>
<td>11 Buildings</td>
</tr>
<tr>
<td>Gated Entrances (vehicles/day)</td>
<td>7 Gated Entrances (10,000 vehicles/day)</td>
</tr>
</tbody>
</table>
The Landings at a Glance

- 3 Storage Facilities
- 2 Deep Water Marinas
- Delegal Sunset Pavilion
- 2 Athletic Fields with Playground
- Dog Park
Annual Property Owners Assessment

- Annual Homeowner’s Dues required by Covenants and Restrictions
- Assessment Amount is approved by Property Owners no more than every three years
- Last Assessment Vote failed in 2018
- Flat Assessment for 2019 and 2020 Budgets = $1,850
Assessment Allocation

Your assessment gets allocated to the Operating Fund and to the Capital Reserves Fund.

The amount of the assessment allocation depends on the current infrastructure needs.
Operating Fund and Capital Reserves Fund

**Operating Fund:** day-to-day services (insurance, taxes, staffing, etc.)

**Capital Reserves Fund:** repair and replacement of assets (restricted fund) (roads, paths, storm drains, etc.)
Development of Budget Line Items

- Mandatory line items (Needs)
  Examples: taxes, insurance, aging infrastructure

- Discretionary line items (Wants)
  Examples: seasonal cookouts and live Marina webcams
## Revenue and Expenses

### Examples of Revenue:
- Owner Assessments - primary source (64%)
- Commercial Vehicle Registration
- Architecture Fees
- Dog Park Fees
- Boat Storage
- Fuel Sales

### Examples of Expenses:
- Staffing (54%)
- Landscaping
- Road Repair/Replacement
- Storm Drain Repair/Replacement
- Repair and Maintenance
- Insurance for Common Property
- Engineering Studies
- Lagoon Expenses
Operating Fund Budgeting Approach

Historical Trend Based Budgeting:
line items based on past trends

Zero-Based Budgeting:
line items are prepared from zero

TLA uses both when budgeting which is typical for a Homeowner’s Association
Capital Reserves Fund Budgeting Approach

- Review Capital Asset Management Plan (CAMP) for any changes
- Changes based on manufacturing updates and vendor recommendations
- Changes and expenditures reviewed annually with Reserves Subcommittee
Examples of Infrastructure Costs from Capital Reserves Fund

Storm Drain Root Intrusion

Main Gate Road Repair
Examples of Infrastructure Costs from Capital Reserves Fund

Bridge Repair

Community Path Repair
Examples of Equipment in the Capital Asset Management Plan (CAMP)

$310,000 Jetter Truck

$215,000 Street Sweeper

$34,083 Utility Tractor

$33,275 Security Department Vehicle

$30,000 Stump Grinder
Financial Planning for our Future

6-year Long Range Financial Plan (LRFP) is prepared

Annual Updates are made to both Funds

Cash Flow Projections are created
Starting in June of each year for several months, the annual draft budget is prepared by TLA Staff.

Once prepared, the draft budget is reviewed by Budget Liaisons and Board of Directors via Reports and Discussions.

Budget is approved at the December Finance and Board Meetings.

Budget Book is distributed and posted online for the community.
Agenda - Budget Overview

- Operating Fund Comparison
- Capital Reserves Fund Comparison
- 2020 Proposed Operating Expenditures
- 2020 Proposed Capital Expenditures
- Reserve Study
- Key Takeaways from Proposed 2020 Budget
Operating Fund Comparison

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenses</th>
</tr>
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<tbody>
<tr>
<td>2018 Actual</td>
<td>$9,671,212</td>
<td>$9,456,716</td>
</tr>
<tr>
<td>2019 Year End Estimate</td>
<td>$9,533,873</td>
<td>$8,432,875</td>
</tr>
<tr>
<td>2020 Proposed Budget</td>
<td>$9,504,352</td>
<td>$9,487,680</td>
</tr>
</tbody>
</table>
2020 Proposed Operating Expenditures

- **Staffing**: $4,973,793 (54%)
- **Landscaping**: $1,131,449 (12%)
- **Insurance**: $576,666 (6%)
- **Repair & Maintenance**: $425,950 (5%)
- **Other Miscellaneous Expenses**: $334,250 (4%)
- **Utilities**: $233,288 (3%)
- **IT Support**: $231,779 (3%)
- **Facilities Maintenance**: $152,285 (2%)
- **Lagoon Maintenance**: $150,453 (2%)
- **Operating Contingency**: $125,000 (1%)

- **Median Refurbishment**: $100,000 (1%)
- **Landings Harbor Dredging**: $100,000 (1%)
- **Legal Fees**: $99,000 (1%)
- **Office Supplies**: $96,748 (1%)
- **Road Maintenance**: $90,000 (1%)
- **Property Taxes**: $83,944 (1%)
- **Fleet Maintenance**: $82,338 (0.5%)
- **Signs and Mailboxes**: $72,680 (0.5%)
- **Wildlife Management**: $68,020 (0.5%)
- **EMS/Safety**: $64,206 (0.5%)

**Total**: $9,191,849
### 2020 Proposed Capital Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads</td>
<td>$865,933</td>
<td>40%</td>
</tr>
<tr>
<td>Bridges/Structures/Equipment</td>
<td>$525,900</td>
<td>25%</td>
</tr>
<tr>
<td>Storm Drains</td>
<td>$275,000</td>
<td>13%</td>
</tr>
<tr>
<td>Paths/Trails</td>
<td>$241,675</td>
<td>11%</td>
</tr>
<tr>
<td>Marina Capital and Repair</td>
<td>$91,500</td>
<td>4%</td>
</tr>
<tr>
<td>Association Capital Other</td>
<td>$88,434</td>
<td>4%</td>
</tr>
<tr>
<td>Lagoons/Dikes/Structures</td>
<td>$55,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,143,442</strong></td>
<td><strong>100%</strong></td>
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Reserve Study

Step 1: Component Analysis

Step 2: Financial Analysis

Step 3: Develop Funding Strategy

Step 4: Completed Reserve Study
Key Takeaways from Proposed 2020 Budget

- Budget = the needs (mandatory) and wants (discretionary) of the community
- Decrease in Operating Expenses, increase in Capital Reserves Expense
- Aging Infrastructure = higher costs
- The 2020 Budget approval will be an agenda item for the December 17, 2019 Board Meeting