

SHADOW LAKE VILLAGE
ANNUAL BUDGET MEETING
DECEMBER 13, 2005

The meeting was called to order by Roger Nicholson, President of the Board of Trustees. Mr. Nicholson led the attendees in the salute to the flag.

All Trustees were in attendance with the exception of Jane Beckett who was excused.

Roger Nicholson presented the agenda noting the 2005 Accomplishments, and the 2006 Projects which are as follow:

2005 ACCOMPLISHMENTS

- *Andover Court Sewer fixed*
- *60 garage doors replaced*
- *termite treatment for 25 buildings*
- *Clubhouse air-conditioner replaced*
- *gutters and downspouts professionally cleaned*
- *roofing replaced*
- *4 courts repaved*

2006 PROJECTS

- *Loch Arbor retaining wall replacement*
- *siding & painting of 35 buildings with garages*
- *65 garage doors replaced*
- *termite treatment for 25 buildings*
- *4 courts repaved*
- *initiate sidewalk replacement program*
- *continue gutter cleaning*
- *major expansion of replacement plan*

Warren Van Nosedall presented the following information concerning the Operating Expenses after commending Jane Beckett for a wonderful article in the December issue of the Chatterbox.

- *a review of the percent of total expenses for administration, community services, maintenance, recreation and security comparing 2005 to 2006*
- *the 2006 budget contains a 5.1% increase for these services*
- *a review of the impact contracts (insurance, Wentworth, bus, Comcast, Clubhouse, pool, golf, security Worthmore, painting contract, landscaping,*

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garbage and gutter cleaning) have on the budget was then reviewed – the percent of the total operating budget for these items is 78%

Roger Nicholson then discussed the Replacement Plan as follows:

- *prior to 2005 this plan only covered roofing and siding*
- *in 2005 the following were added:*
 1. *the Clubhouse air-conditioning*
 2. *paving roads and parking lots*
 3. *replacing garage doors*
- *in 2006 the following will be added*
 1. *sidewalks*
 - *concrete*
 - *lighting*
 2. *curbing*
 3. *tennis courts*
 4. *pool*
 5. *leaders and gutters*
 6. *retaining walls*
 7. *driveways*
 8. *street and traffic signs*
- *the 30 year cost for these projects will be \$12,819,380*

Roger Nicholson then discussed funding for these projects:

- *the current years balance is \$1,096,562*
- *funding is phased in over the coming years*
- *all expenses must be fully funded and the numbers are reviewed and corrected yearly and adjusted for inflation*
- *the fund will never be below \$300,000, a figure which was arbitrarily reached by the Board of Trustees*

Warren Van Nosedall then explained the effect these issues have on the assessment.

- *Operations* *5.1% increase*
- *Net Operations* *5.0% increase*
- *Replacement Plan* *22.9% increase*
- *TOTAL* *6.7% increase in 2006 assessments*

Warren Van Nosedall then explained the Capital Equity Fund for 2006 as follows:

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	2005	2006	VARIANCE
<i>Income</i>	\$170,000	\$154,000	\$15,000
<i>Expenses</i>	\$258,000	\$200,000	\$115,000
<i>Year</i>	(\$80,000)	(\$45,000)	\$95,000
<i>Beginning Year Fund Balance</i>	\$189,000	\$101,000	\$88,000
<i>Year End Balance</i>	\$101,000	\$55,000	\$153,000

(These numbers are not exact as listed in this report. Only the first three numbers are accurate.)

Roger Nicholson advised the audience that the budget process is not an easy process. It was started in August and entailed a lot of give and take and hard work on the part of the Board members. He thanked all of the members for their hard work and dedication.

RESIDENT QUESTIONS

The resident from 41 Hancock questioned the increase from Comcast and the effect it would have on the residents of the Village. Roger Nicholson advised that though there was an increase in the rate, the bill for basic service is paid by the Association, using the money garnered from Assessments and the residents will not see that increase in their bills. Also, the 2006 budget line reflects a 5% increase in 2005 and a 5% increase in 2006. This resident also asked about the paving of the roads. Roger Nicholson advised that the Township paves the major road and the Village paves what they are not responsible for and the parking lots. He also added that the Village has applied to have the major road paved by the Township next year.

The resident from 30 Friendship Court congratulated all of the Board members for their hard work. He then questioned the tennis courts noting that three “fellows” had been hurt this year as there are several cracks on the courts and two areas where the surface is rising. Angela Vullo responded by advising the resident that for 2006 the budget calls for the coloring and fixing of the cracks in April. A full job is not scheduled for a couple of years. This project will cost more than the \$1000 budgeted for 2006, but as the Chairman of the Tennis Committee did not request any major work be done on the courts, and it was not in the Replacement Plan for 2006, no extra money was put in the budget.

The resident from 7 Concord Court asked if new card tables were in the replacement budget. Roger Nicholson advised that items in the Replacement Plan must cost more than \$10,000. Cathleen Sullivan advised though that the Board is planning on replacing the tables next year. The resident reminded everyone that the tables are not just used by the card players but are used by everyone.

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The resident from 86 Friendship Court asked if it was cost effective to screen the gutters when they are replaced. She stated that once a year cleaning is not enough. Kevin Byrne advised that they had tried a number of gutters with covers with no success. The pine needles are the problem and the number of trees is a problem. Though the trees are beautiful in the spring and fall, the cause major problems with the gutters. There is a plan in place to thin out the trees. This plan was started last year and has a budget line of \$40,000

The resident from 25 Manchester Court questioned the new member Capital Equity fees of \$165,000 for 2005 and \$150,000 for 2006. It was explained that the number of sales and rate of increase are unknowns so the 2006 figure is a guess. Also, the 2005 number may not be exact as the figures are not in yet for November and December. The resident then asked if there would be an interest increase in the future? It was explained that it is currently at 1% but can be changed by a vote of the Board of Trustees. This charge is usually the obligation of the buyer but can be shared by the seller and the buyer at whatever formula they agree upon. She further questioned the 40% garbage increase. It was explained that the number shown was a 40% increase over what had been budgeted for last year. Garbage removal is very expensive. It is our maintenance men who collect it from the garbage bins and haul it to the compactor located in the maintenance yard. The compacted garbage is then picked-up by the contractor, Marpal, who hauls it to the dump. The increase reflects the rate increase from Marpal.

The resident from 27 Western Reach asked if there were plans to increase the size of the library. Cathleen Sullivan stated that the Board was aware of the fact that the library had outgrown its space but there are many groups who have outgrown their space and groups who are in need of space. With the growing number of activities, the Board has recognized the need for more meeting rooms, etc. and is looking into Clubhouse renovations for the future. There are permits that must be acquired and the financials of the project need to be addressed. Also, Roger Nicholson advised that any expansion of the Clubhouse requires a vote of the people, while renovations do not. The resident advised that there is a wonderful Public Library in Middletown but the bus does not go there so the residents do not have the opportunity to take advantage of this facility. Roger Nicholson advised that the resident was welcome to present her inquiry to the Board at a Business Meeting and they would consider it, but warned that requests such as hers lead to never ending lists of places people want to go which is cost prohibitive.

The resident from 12 Rutland Court wanted to know if there was any assurance that when the gutters are cleaned the downspouts are cleaned, and advised that there when it rains the water comes over the gutters causing anyone walking there to get wet, but during the winter it is ice and someone may slip and fall. Kevin Byrne advised the resident that the downspouts are being cleaned when the gutters are cleaned, but in the event that they need to be cleaned again, all residents should complete a work order form or call maintenance. The speaker and other residents from her area stated that their downspouts not had been cleaned. Kevin Byrne asked Chris Tensen from the Worthmore Group to investigate.

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A resident asked if kitty litter could be used instead of salt on icy, slippery sidewalks. She stated that kitty litter does not melt and is good for the environment. Roger Nicholson advised her that the subject had been discussed last month and was still under investigation by the Board.

The resident from 80 Hancock asked about the replacement of rotting carpeting on her steps and on the second floor. She advised that she had submitted two work orders, one in September and one later on in the year. Roger Nicholson asked if she had received a letter from maintenance or some form of correspondence from them. She stated that no response had been received. Roger asked her to please give him her name and address when the meeting concluded.

A motion was made by Warren Van Nosedall and seconded by David Anderson to adjourn the meeting at 9:15

Respectfully submitted,

*Kate Barrett
Administration Manager*

*David Anderson
Secretary
Board of Trustees*